

Syrian recovery 'impresses' IAF

By JOSHUA BRILLIANT
Post Defence Reporter

RAMON AIR FORCE BASE. — The progress made by the Syrian air force since the war in Lebanon is "impressive," Air Force Commander Aluf Amos Lapidot said yesterday.

He told military correspondents that the Israeli Air Force still has its deterrent capability but it finds difficulty in competing with private industry for the engineers, technicians and computer experts required to maintain its highly sophisticated equipment.

Lapidot was meeting reporters in advance of Air Force Day which falls on Thursday.

Lapidot said all the losses suffered in the war by the Syrian air force had been made good — often with better weapons.

Lapidot, who previously headed the IAF's intelligence unit, said that Syrian training has also improved. Also, the Soviet Union is providing a "very large and very active" training and advisory programme and the Soviet army's chief-of-staff and its air force commander visited Syria several times during the past year.

Nevertheless, IAF commanders said they did not believe the Syrians have overcome the blow Israel dealt

to Syrian morale. The commander of this base told reporters the Syrians enter their aircraft with a "fatalistic" attitude. Lapidot said "they know they'll be defeated in an equal contest."

In preparing for a war with Syria the IAF reckons its airmen may face Soviet troops. The Russians maintain two SA-5 anti-aircraft units in Syria and the Syrians are not allowed into those sites, Lapidot noted.

"We don't intend to attack them — as long as they are not used against us. But if they will actively endanger our planes or our aerial activity — we'll have to consider how to react," he said.

Lapidot said discharged airmen are replaced by new recruits — but the force is not getting more troops although it needs them for the new base which will open in Nevatim in a few months.

Therefore the IAF has been planning to send manpower from existing bases, Lapidot said.

He indicated that the number of new recruits to the IDF has risen but the additional soldiers are sent to establish new ground units to meet needs in Lebanon.

Turning to the acquisition of new aircraft, Lapidot said a large air

(Continued on Page 2, Col. 7)



Jewish settlers from Kiryat Arba and their sympathizers attend a memorial service for Aharon Gross in Hebron yesterday. Gross was murdered in the town on July 7. (Scoop 80)

Ex-brigadier picked as arbitrator

By MARGERY GREENFELD
Jerusalem Post Reporter

After nearly two weeks of searching, the employers and the Israel Medical Association yesterday agreed on an arbitrator in the doctors' dispute: Tat-Aluf (res.) Uzi Eilam, director-general of the Atomic Energy Commission.

The three-man panel of which he will be a member will begin sitting on Thursday, the Justice Ministry spokesman said yesterday. Under the terms of the arbitration agreement signed on July 5, the panel has 40 days in which to complete its work.

Representing the IMA is Dr. Haim Zakut, IMA deputy chairman and chairman of the government

doctors' organization. The employers (the government, Kupat Holim Clalit and the Hadassah Medical Organization) will be



Uzi Eilam

represented by the head of the Treasury's wage division, Hillel Dudai.

Attorney-General Yitzhak Zamir, empowered two weeks ago by the cabinet to select the arbitrator together with the IMA, yesterday informed Prime Minister Menachem Begin of Eilam's appointment.

"I didn't really expect that they would turn to me," Eilam told *The Jerusalem Post* last night. "There were some feelers put out a while ago, but the idea really only crystallized in the past few days."

When asked why he had accepted what is almost certain to be a difficult and complicated job, Eilam

(Continued on Page 2, Col. 1)

Economy catastrophic—Moda'i

By DAVID LANDAU
Post Diplomatic Correspondent

Energy Minister Yitzhak Moda'i asserted at the cabinet yesterday that the "state of the economy is catastrophic." He demanded a full-scale economic debate, and engaged in a vituperative exchange with Finance Minister Yoram Aridor, whose policies he has publicly criticized.

Aridor reportedly said that because Moda'i had gone public with his criticism, Aridor would refuse to debate with him at the cabinet.

But Prime Minister Menachem Begin, attempting to calm the two heated ministers, said there would be a full-scale debate soon. He would fix the timing "in consultation with the minister of finance."

In a version of the exchange made available to newsmen, Interior Minister Yosef Burg was reported to have sparked the row by asking Aridor about incessant press speculation that new economic steps are imminent.

Aridor: "There is a lot of rubbish being put abroad... ostensible 'propaganda' to which I am not a party. I concur with one point that is made in these stories: there has got to be a reduction of government spending."

Moda'i: "We should hold a debate soon. I don't believe that cuts in spending are the main method to heal the economy."

Aridor: "We held an economic

debate — the debate over the budget."

Moda'i: "That was six months ago."

Aridor: "The minister of energy has appeared in the media spreading lies, so I am not prepared to enter into a discussion with him now."

Begin: "You will enter into a discussion, here at the cabinet table." The premier ordered that the word "lies" be struck from the protocol.

Moda'i: "The situation of the economy is catastrophic. The finance minister always finds scapegoats — the situation overseas, the Histadrut, the doctors, his fellow-ministers... He always says that his policy is cabinet policy. But I am not a party to the making of the policy, to the decisions to print money, to increase the banks' credit so as to prop up the stock exchange. I have written memoranda to ministers with my views..."

"I have written about how Treasury officials make fundamental policy decisions, determine priorities..."

Aridor: "I will not argue with the energy minister and I won't answer him."

Last night, Aridor refused to make any comment to *The Jerusalem Post* about what had happened at the cabinet. "I cannot speak about cabinet meetings. I have never done so and I will not do so," Aridor declared.

(Continued on Page 2, Col. 4)

Begin aide denies Humphrey brought Hussein message

Jerusalem Post Staff and Agencies

Hubert Humphrey III said yesterday that Jordan's King Hussein is interested in initiating talks with Israel, and that he has conveyed this to prime minister Menachem Begin.

But Begin's press adviser, Uri Porat, according to Israel TV last night, said that Humphrey had brought Begin no message from King Hussein. Humphrey, Porat was quoted as saying, conveyed only general impressions from his talk with the king, and there was "nothing new in these."

Interviewed by Israel TV, the attorney-general of Minnesota and son of the late U.S. vice-president Hubert Humphrey, said the king had expressed an interest in developing Jordanian-Israeli commercial ties and was "aware of the changing circumstances" of the PLO.

Jordanian acting prime minister and information minister Adnan

Abu-Ouda yesterday emphatically denied that Hussein was ready to join peace talks, saying reports to that effect were "groundless."

Speaking at Bar-Ilan University, Humphrey said Jordan "and the West Bank Arabs are no longer tied to the 1974 Rabat decision that the PLO is the sole spokesman for the Palestinians."

The Labour Party yesterday urged the government not to ignore signs of Jordanian readiness for political contacts with Israel.

Party chairman Shimon Peres said that from his talk with Humphrey, he understood Hussein believed the Reagan plan was still alive and that the question of who represents the Palestinians will be reopened if the PLO will come under Syrian tutelage.

The party called upon the government to "shake off its indifference and dismissiveness" regarding the signals from Jordan.

Successful talks avert health workers' strike

Jerusalem Post Reporter

The strike by the Health Ministry's 7,500 service and administrative workers scheduled to begin this morning was called off last night reportedly when the Civil Service Commission granted their main demands.

Israel Radio reported that an agreement reached gives the Health Ministry workers the same wage incentives as received by their counterparts in Kupat Holim Clalit.

Disruptions in the country's hospitals are nevertheless likely today as 900 X-ray technicians hold a day of work sanctions. The X-ray technicians union, which held a three-day strike recently, is holding a national meeting today to discuss progress in its wage-demand talks.

Red Cross visits six Israeli PoWs

Jerusalem Post Reporter

TEL AVIV. — International Red Cross representatives on Friday met six Israeli soldiers held by the Fatah and reported they were in good spirits and physical condition.

The meeting was held without the captors present. Israel Radio quoted a Red Cross spokeswoman in Geneva as saying yesterday.

The radio said it believed the meeting was held in the Tripoli area.

The six were separated several weeks ago reportedly in reprisal for

alleged Israeli mistreatment of Palestinian prisoners at the Ansar detention camp in Southern Lebanon. The six said they were reunited a few days later.

They complained that during the month of Ramadan, they were given only one meal a day and that was tasteless. They also asked that their families send them pictures.

The PLO said yesterday recent attempts by the Red Cross to arrange an exchange of Palestinian and Israeli prisoners appeared to be "relatively encouraging."

NEWSBEAT/Hashish from Lebanon All Lebanese factions have finger in drug pie

This is the second of a series of articles by ROBERT ROSENBERG on the economic, legal and social implications for Israel of the Lebanese hashish industry.

A RECENT NEWS agency report from Lebanon reported that in the Bekaa Valley — between the Syrian plateau and the Lebanese mountains north of Christian Zahle — one can see uniformed guards watching over broad fields of marijuana.

"The uniforms are unidentifiable," said the story, but it did mention that Syria controls the region, which is called by some the hashish production centre of the world.

The main town in the area is Baalbek where, from August to October, hashish can be bought by the truckload. Much of the market is taken up by the merchandising of hashish.

Although most foreign correspondents based in Beirut over the last decade have written at least one or two hashish stories, few of them have dared to go more deeply

into the subject than to describe the piquancy of an economy that flourished during a civil war, in no small part because of the cash flow that accompanies smuggling.

"Lebanon has been a smuggling centre for centuries. It's the economy. It's not just contraband," says an Israeli expert on Lebanon, who wishes to remain unnamed because he still visits that country in the course of his work.

According to this source, the hashish trade in Lebanon is based on everyone getting a cut: the Syrians, who control the territory where the marijuana is grown; the Palestine Liberation Army, and Sa'ga, who work for the Syrians and provide convoys, and the militias, too, who are paid off, either in cash or with a slice of the hashish when it passes through their territory.

The convoys and individual

(Continued on page 4)

7 wounded as IDF vehicle hit in Lebanon

By MENAHEM HOROWITZ
Jerusalem Post Reporter

METULLA. — Seven Israeli Defence Forces soldiers were wounded, two of them seriously, when an armoured personnel carrier travelling near the village of Sid, south of Beirut, was attacked from the west with light arms and rocket-propelled grenades.

Soldiers in another APC returned fire and began searching the area. Light-arms fire was also directed at an IDF position on Jebel Barukh yesterday from the territory held by the Syrians. The IDF returned fire. There were no injuries.

This was the first instance of fire coming from Syrian-held territory in several weeks.

IDF sources said they were checking whether the fire had come from terrorists or Syrian troops. They said they would consider

terrorist fire from Syrian cover a serious matter.

The two IDF soldiers seriously hurt in the Sid incident were rushed by helicopter to Rambam Hospital in Haifa. Those less seriously hurt were taken to a field hospital and later moved to Rambam.

After the incident the IDF placed roadblocks in the area. A car bearing Lebanese plates and coming from Beirut slammed through one of the roadblocks, and when its driver failed to heed IDF warning shots, soldiers fired into the car, killing two passengers.

It was not known whether there was a connection between this incident and the attack on the APC.

IDF sources said that they are checking the possibility that the attackers came from west Beirut.

In another incident yesterday, an IDF tractor went over a mine, one kilometre south of the village of Mansura in south Lebanon. The driver was slightly wounded.

Soviet rockets strike Lebanon beach resorts

BEIRUT (AP). — Christian militiamen and Druse warriors battled in Lebanon's central mountains yesterday, pouring Soviet-made rockets on crowded beach resorts just north of Beirut.

Both privately-owned and state-run Beirut radio stations interrupted normal transmission to announce that heavy artillery and rocket barrages between the country's two main antagonists had erupted anew after an 18-hour weekend lull.

State-run Beirut radio said the fighting was renewed at 3:30 p.m. after sporadic machine gun and sniper fire earlier in the morning. It said by 4 p.m., seven Katyusha rockets had fallen on a 20-kilometre stretch of coastline, north of Beirut.

The fighting tapered off last night after more than five hours of non-stop artillery and rocket duels.

One witness said sunbathers rushed to their cars in swim suits, leaving their clothes and belongings behind, as soon as the first rocket hit Jounieh, the port city some 20km. north of the Lebanese capital.

There was no immediate report on casualties among weekenders. The radio stations listed a score of villages in the Israeli-occupied Shouf and Aley mountain regions.

about 12km. east of Beirut, that had come under bombardment yesterday afternoon.

Druse leader Walid Jumblatt has accused the Lebanese Army of bias in favour of the Christian militiamen.

About 1,000 Druse demonstrators on Thursday stoned a Lebanese Army patrol outside the Druse town of Aley. The Lebanese Army fired into the hostile crowd killing two and wounding three. Fourteen regulars were also wounded during the confrontation.

Shamir won't tell what he was doing in Europe

Jerusalem Post Reporter

Foreign Minister Yitzhak Shamir declined to divulge to cabinet colleagues yesterday the nature of his mysterious visit to Europe at the end of last week. Asked by Commerce Minister Gideon Patt where he had been and whom he had seen, Shamir kept silent.

Informed Israeli sources have confirmed that Shamir met with African statesmen, and the widespread speculation is that Ivory Coast President Felix Houphouët-Boigny was his main interlocutor.

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The weather at major Swissair destinations

| | 17.7.1983 | MIN. | MAX. | C.F.C.F. |
|----------------|-----------|------|------|----------|
| AMSTERDAM | 19 | 20 | 26 | Clear |
| BRUSSELS | 24 | 25 | 32 | Clear |
| FRANKFURT | 21 | 22 | 32 | Clear |
| GENEVA | 21 | 22 | 31 | Clear |
| COLOGNE | 11 | 12 | 20 | Clear |
| PARIS | 18 | 19 | 26 | Clear |
| HELSINKI | 13 | 14 | 20 | Cloudy |
| HONG KONG | 26 | 27 | 28 | Cloudy |
| JOHANNESBURG | 9 | 10 | 20 | Clear |
| LAGOS | 19 | 20 | 26 | Clear |
| LONDON | 17 | 18 | 24 | Clear |
| MADRID | 18 | 19 | 26 | Clear |
| MONTREAL | 14 | 15 | 27 | Clear |
| NEW YORK | 16 | 17 | 28 | Clear |
| OSLO | 18 | 19 | 27 | Clear |
| PARIS | 22 | 23 | 31 | Cloudy |
| RIO DE JANEIRO | 18 | 19 | 30 | Cloudy |
| SAO PAULO | 17 | 18 | 29 | Cloudy |
| STOCKHOLM | 13 | 14 | 20 | Cloudy |
| TORONTO | 21 | 22 | 28 | Clear |
| VIENNA | 18 | 19 | 25 | Clear |
| ZURICH | 15 | 16 | 24 | Clear |

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THE WEATHER

Forecast: Warm.

| | Yesterday's | Yesterday's | Today's |
|-------------|-------------|-------------|---------|
| | Humidity | Min-Max | Max |
| Jerusalem | 41 | 17-32 | 30 |
| Golan | 36 | 19-29 | 29 |
| Nahariya | 46 | 18-30 | 30 |
| Safed | 70 | 24-29 | 29 |
| Haifa Port | 50 | 21-32 | 34 |
| Tel Aviv | 50 | 19-30 | 30 |
| Nazareth | 48 | 20-33 | 33 |
| Afula | 45 | 20-31 | 31 |
| Shomron | 45 | 20-31 | 31 |
| Tel Aviv | 63 | 20-29 | 29 |
| B-G Airport | 57 | 21-31 | 32 |
| Jericho | 63 | 22-39 | 39 |
| Gaza | 73 | 23-28 | 28 |
| Beersheba | 37 | 19-33 | 34 |
| Eilat | 15 | 27-39 | 39 |

SOCIAL & PERSONAL

Clive Jenkins, Vice-Secretary-General of the Scientific and Technical Workers Union and Allen Hadden of the Municipal Employees Union, members of the British Labour Party, visiting Israel from England as guests of the Histadrut, were entertained at luncheon on Friday by Na'amat secretary Masha Lubelsky.

Arafat says he's ready to heal rift with Syria

FRANKFURT (AP) — PLO chief Yasser Arafat said in an interview released yesterday that he is prepared to return to Damascus to seek reconciliation with Syria.

"I am prepared to reach an agreement with Syria on all points," the PLO's beleaguered leader told *Der Spiegel*.

ARBITRATOR

(Continued from Page One)

said: "I felt that the two sides were gradually running out of possibilities for reaching agreement, and that this matter of national urgency should be settled as soon as possible."

Eilam, who was born at Kibbutz Tel Yosef in 1934, has served as director-general of the Atomic Energy Commission since 1976. He ended his career with the Israel Defense Forces in 1975 with the rank of brigadier general. Eilam holds a degree in engineering from the Technion and a degree in business administration from Stanford University in California.

Asked whether the role of arbitrator will interfere with his duties at the Atomic Energy Commission, Eilam noted that he will be able to judge that only after the panel has begun sitting. "But there's no question in my mind that I will give the arbitration top priority," he said.

The IMA last night welcomed Eilam's acceptance of the job and expressed its satisfaction that the arbitration process would finally be getting under way this week.

"We feel that Eilam is strong enough to be totally objective and to deal only with the issues at hand, which are basically economic in nature," IMA chairman Dr. Ram Ishai told *The Post*.

While none of the other names of possible arbitrators was made public, it was learned that the IMA had presented more than 70 names, all of which were rejected by the employers.

The government is known to have submitted at least 30 names on the list given to IMA leaders during a meeting at the attorney-general's office on Friday. Only one, that of Eilam, was found acceptable by the IMA, which resisted the selection of anyone who might be subject to influence by the Treasury.

HOME NEWS

Aloni hits Soviet Jews' 'anti-Zionist demagoguery'

Jerusalem Post Staff
MK Shulamit Aloni (Citizens Rights) told the Jewish members of the Soviet Anti-Zionist Committee in Moscow yesterday morning: "In your comments on Israel you employ the sort of cheap demagoguery which verges upon anti-Semitism."

Aloni, who is visiting the Soviet Union as part of a delegation of Israelis invited by the Soviet Peace Committee, went to the Moscow Great Synagogue on Shabbat morning accompanied by MK Aharon Harel (Alignment-Labour) and Benny Barabash of the Peace Now movement. They spoke for some 90 minutes with several Jewish Muscovites and arranged for a second meeting before returning to Israel.

At a meeting Friday with the anti-Zionist Soviet group, Aloni told Prof. Samuil Ziv, one of the committee's leaders, that "you can't sit and talk with us about peace" as long as the Soviet Union continues to prevent Jews who want to do so from emigrating.

In a telephone interview with *The Jerusalem Post*, Aloni said she told her hosts that she came to the Soviet Union as a representative of "the largest faction in the Knesset — the Zionists." She said her

remarks sparked a "bitter controversy" with committee members. "How can you speak of an 'undemocratic and warlike Israel,'" Aloni blasted Ziv, "when Israel was the only country whose citizens protested against the Sabra and Shatilla massacres in such overwhelming numbers?"

At the Israeli group's first official meeting with the committee — an officially backed group — Shelli-Alternative leader, Aluf (res.) Matiyahu Peled offered to meet "any Palestinian leader, including from the PLO" to discuss Israel's missing soldiers and prisoners of war. He has not yet received any response, Aloni said.

Yesterday afternoon Aloni, Harel and Barabash made a pilgrimage to the Babi Yar memorial near Kiev, which marks the massacre of hundreds of thousands of Ukrainian Jews and others by the Nazis.

Aloni said the delegation is being treated "unusually well" by its hosts, and is particularly enjoying its reception by the Jewish community of Kiev, which is celebrating the centennial of the writer Scholem Aleichem's birth.

Aloni said the "Zionist delegation" would raise the issue of refusedniks Ida Nudel and Yosef Begun in talks today.

Hirsch remanded on incitement charge

Moshe Hirsch, the so-called "foreign minister" of Natorei Karta arrested on Thursday, was remanded yesterday by order of Jerusalem Magistrate's Court.

Police Inspector Moshe Ariel showed the court two excerpts from interviews Hirsch gave to *Kol Yerushalayim*, a Jerusalem weekly. In one passage Hirsch is quoted as saying that the ultra-Orthodox *Eda Haredit* community welcomes the opportunity to "fight" the Zionists. In another quotation Hirsch speaks of ammunition stockpiled by the

haredim with which, he said, they could blow up police patrol cars.

Ariel said that Hirsch's remarks constitute incitement of the ultra-Orthodox community to illegal acts against non-religious Jews, the police and the authorities.

Hirsch did not deny making the remarks, but said they were taken out of context.

The judge accepted the police's contention and ordered Hirsch held for five days. During that time the police are to submit evidence against him to the district attorney (litim).

Mea She'arim rioting has peaked — Burg

By DAVID LANDAU and ASHER WALLFISH
Jerusalem Post Reporters

The ultra-Orthodox rioting in Mea She'arim has peaked and can be expected to subside after Tisha Be'Av tomorrow, according to Interior Minister Yosef Burg.

Burg believes his get-tough instructions to the police last week have helped to curb the violence in Jerusalem's ultra-Orthodox neighborhoods. But basically, as he explained at length in cabinet yesterday, the demonstrations are seasonal. They occur, he said, annually during the pre-Tisha Be'Av period. "For the past couple of years the pretext has been the City of David dig. Before that it was autopsies. And before that it was military service for women. There is always something..."

In a meticulously prepared historical survey at cabinet, Burg argued that ultra-Orthodox demonstrations are endemic to

Jerusalem. A century ago, he said, the Turkish police had to intervene when the issue was removing a tile from a certain roof.

Education Minister Zevulun Hammer assured the cabinet that there was no basis to the demonstrators' contention that graves at the site of the archaeological dig were being disturbed.

Hammer said his ministry had reached an agreement with leaders of the *Eda Haredit* in Jerusalem delineating the graves area. The agreement was later endorsed by the two chief rabbis.

A wooden fence had been erected and ministry supervisors were on hand to ensure that no digging is done beyond the fence. The demonstrators had demanded a stone wall, and the ministry itself would like to build a stone wall eventually, if only for esthetic reasons. But the money is not available right now, and the wooden fence is sufficient, Hammer said.

Burg: Golda forced me to deport Lansky

By DAVID LANDAU
Post Diplomatic Correspondent

Interior Minister Yosef Burg revealed yesterday that he did not want to deport Meyer Lansky in 1971, but was pressured into doing so by then prime minister Golda Meir.

Burg disclosed that he had concluded a secret understanding with Lansky, a reputed U.S. Mafia financier who died last year, whereby Lansky was to have received monthly extensions of his visa, provided there were no police complaints about his activities here.

But Meir demanded that he be ousted from Israel. At the time, U.S. authorities were seeking to arraign Lansky on tax-evasion charges (he was subsequently acquitted). Burg duly fought Lansky

through the Israeli courts and eventually ordered him out of the country. Lansky returned to the U.S.

The minister recalled the Lansky case at yesterday's cabinet session in connection with proposals that Israel deport ringleaders of the ultra-Orthodox Natorei Karta sect who are foreign nationals. They decline Israeli citizenship on ideological grounds.

Burg told the cabinet that, in principle, he is against deporting any Jew from Israel — and he would have applied this principle to Lansky had it not been for Meir's position.

One name mentioned in this context is that of Moshe Hirsch, styled "foreign minister" of the sect, who was remanded in custody yesterday on charges of incitement to rebellion.

Peres hedges on Kiryat Arba's future

Jerusalem Post Reporter

TEL AVIV. — Labour party Chairman Shimon Peres said yesterday the Alignment recognizes its responsibility for Kiryat Arba's existence.

Peres did not say, however, that Labour will insist Kiryat Arba be part of Israel if the West Bank is partitioned.

A controversy arose after MK Yossi Sarid last week pointed out that the Alignment's Knesset election platform did not include Kiryat Arba in its settlement programme, meaning that if the West Bank is partitioned while the Alignment is in power, it may not be included un-

der Israeli sovereignty.

Hawkish Labour party members demanded Peres rectify the situation but he went only part of the way. Addressing party activists, Peres recalled the Alignment-led government had established Kiryat Arba when Levi Eshkol was prime minister.

IDF reviewing rules on arms in territories

Jerusalem Post Reporter

Defence Minister Moshe Arens said yesterday that the Israel Defence Forces are reviewing the standing orders with respect to use of firearms by soldiers in the administered areas.

Arens implied that the standing orders would be amended to give soldiers more latitude in use of firearms.

The Defence Minister was replying to a question by Minister-without-Portfolio Mordechai Ben-Porat about press reports suggesting that soldiers are reluctant to shoot even in face of obvious danger, because they fear a court martial for exceeding their authority.

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The Defence Minister was replying to a question by Minister-without-Portfolio Mordechai Ben-Porat about press reports suggesting that soldiers are reluctant to shoot even in face of obvious danger, because they fear a court martial for exceeding their authority.

RUINS UNEARTHED. — Workers of the Shikun Ovdim housing company yesterday uncovered ancient ruins while preparing a building site in Kfar Sava. Work has been halted while archeologists explore the new dig.



Defence Minister Moshe Arens decorates a Nahal flag during the ceremony at Hermesh, north of Baka el-Garbiye, in Samaria yesterday as the base was turned into a civilian settlement. Arens said that the Hermesh settlers should try to live as good neighbours with the Arabs nearby. (Defence Ministry photo)

Gov't said defying court over health staff pay

Jerusalem Post Reporter

Health Minister Eliezer Shostak said yesterday that the government was defying the Labour Court's ruling on hospital workers' pay claims.

Answering a question put to him by Minister-without-Portfolio Mordechai Ben-Porat at yesterday's cabinet meeting, Shostak said that the Labour Court had upheld the employees' claims, and that the obstacle now is the Treasury.

Shostak said the pay claims affected some 1,100 hospital administrative and maintenance employees, each of whom stood to receive between IS2,000 and IS3,000 a month.

Finance Minister Yoram Aridor said he was apprehensive about the chain reaction likely if the strikers' demands are met. He said that administrative staffs in clinics would promptly ask for the same rises, while other sectors too were waiting in line.

Aridor accused the Health Ministry of "sabotaging Treasury policy." He said he had no money to pay the strikers and he would not print any more.

Aridor said that Shostak seemed to be "working hand in glove with the Histadrut" over the matter of the administrative and maintenance employees.

Capital traffic changes in effect today

Jerusalem Post Staff

Changes in traffic and bus routes at the entrance to Jerusalem go into effect today. Under the new system, part of a master plan for rerouting traffic moving in and out of the capital, the following changes will be implemented: Sderot Herzl will be one-way between Jaffa Road and Sderot Shazar southward, except for buses, which will travel in both directions.

Nordau and Jaffa Road.

Vehicles coming from Beit Hakerem and heading towards the north of the city will go past Binyanei Ha'Ooma and across Kikar Nordau to Sarei Yisrael.

Vehicles coming from the town centre travelling towards the city will go via Nordau Street and Jaffa Road.

There will be slight changes on bus routes 9, 26 and 28, and some buses travelling towards the city will no longer stop opposite Mossad Harav Kook.

Baby left at Koor office

Jerusalem Post Reporter

TEL AVIV. — The giant industrial concern Koor yesterday had a baby concern.

A security officer noticed a suspicious-looking package near the elevator on the 12th floor of the Koor building on Sderot Shaul Hamelech at about 11 a.m. yesterday. The officer hurried to inspect it, suspecting a bomb. To his amazement, he discovered a baby wrapped in a blanket.

A note attached to the baby read: "This girl wants her father back from Los Angeles, so that he can admit his paternity and pay child support."

The baby was handed over to the Tel Aviv police, who gave it temporarily to a foster family in Jaffa.

Later during the day the mother was found and held for questioning. She said she was an unwed mother and that the baby's father, now in Los Angeles, refuses to admit paternity and pay child support. In her desperation, she was driven to leaving the child in the Koor building, she said.

The police charged the woman, 31, with abandoning her daughter.

The police charged the woman, 31, with abandoning her daughter.

Man held after police storm barricaded flat

By MICHAEL YUDELMAN
Jerusalem Post Reporter

RISHON LEZION. — The police anti-terror squad yesterday stormed an apartment here, after the tenant, armed with a pistol, had allegedly threatened to blow up the building and shoot anyone who came near him. They arrested the tenant, Daniel Biton, after freeing his wife.

One policeman was wounded by a shot from Biton's pistol as the squad burst into the apartment, but was later reported out of danger at Assaf Harofeh Hospital.

A large police contingent, headed by District Commander Nitzav Gaby Amir, tried to negotiate with Biton, who demanded that his wife and four-year-old son be brought to him. The police brought Marcelle Biton to the apartment, but left the son with relatives.

When attempts at negotiation failed, the police stormed the apartment without firing a shot.

MODAT

(Continued from Page One)

Treasury sources said after the cabinet meeting that the proposed economic debate will probably not take place before Begin's visit to the U.S.

Thus, the sources said, the debate will not occur before August. The sources conceded that Aridor is very interested in delaying the debate as long as possible, to a date close to the municipal elections, when criticism of him will need to be much more moderated.

The sources added that Aridor is still planning a IS50 billion cut in the government budget. Since a third of the budget is destined to repay government debts to the public and to overseas creditors, this means that the average cut on the ministries activities could reach 8 per cent, they said.

Mother of ten jailed

ASHKELON (Itim). — A mother of 10 was yesterday sentenced by the magistrates court here to a year in jail for creating a public disturbance. Judge Shlomo Shaham also fined Aliza Attal IS10,000.

The judge noted that Attal, 50, had dozens of police files opened against her for earlier disturbances. Shaham said that Attal had been ill-treated by fate, and some of her children were mentally ill, and others were in prison. But the public interest required her imprisonment, said the judge.

After hearing the sentence, Attal said: "I am a mother of 10. All of them are disturbed and subnormal, two of them were taken away from me for adoption, my husband is a drunkard and a cripple and I ask forgiveness. And I ask that I be allowed to see the children at least once a fortnight..."

COUNSELLING SERVICE. — The Herzliya Municipality has announced it will help the Taiba local council set up a psychological counselling service for Little Triangle residents.

We thank all our friends who shared our profound grief on the death of our beloved husband, father and Director.

KARL KISSMAN

The Family and Staff of Eltra Trading House Ltd.

Hammer against using budget cuts for politics

Jerusalem Post Reporter

Education Minister Zevulun Hammer warned his cabinet colleagues yesterday that the public would not take kindly to the political parties being generously financed for the October municipal elections with the help of funds obtained from some of the extensive budget cuts demanded by Finance Minister Yoram Aridor.

The education minister, who knows that his own large budget is in Aridor's sights, delivered his admonition after Transport Minister Haim Corfu told the cabinet the political parties needed IS 1 billion to run their campaigns.

Aridor said there was no question of increasing the budget to provide the election funding. But if the IS1 billion were cut from existing budgets that would be a different story, he said, albeit without committing himself.

Defence Minister Moshe Arens, Social Affairs Minister Aharon Uzan, Industry Minister Gideon

Part and Minister without Portfolio Mordechai Ben-Porat also said that considering the country's economic straits, it was not right to lavish funds on the political parties.

Unable to reach a decision on Corfu's proposals, the cabinet decided instead to form a three-man committee of ministers, including Corfu, Interior Minister Yosef Burg (responsible for election organization) and Aridor. The three will draft a new proposal by next Sunday's cabinet meeting.

A cabinet source told *The Jerusalem Post* that the anticipated compromise proposal would be based on an allocation of IS200 per voter or a little less, which would amount to around a third of the original Corfu proposal.

Each party contesting the municipal elections would be free to request advance funding, either on the basis of its performance in the last municipal elections or its strength in the present Knesset, *The Post* was told.

Salem says U.S. should talk with Syria on Golan's future

By WOLF BLITZER
Jerusalem Post Correspondent

WASHINGTON. — Lebanese Foreign Minister Elie Salem yesterday proposed that the U.S. open discussions with Syria on the future of the Golan Heights.

He also said it is "absolutely essential" for the U.S. to bring the Soviet Union into the dragging talks on a withdrawal of all foreign forces from Lebanon.

Interviewed on CBS Television's *Face The Nation*, Salem was hostile to Israel. At one point, he said that Lebanon is not even talking directly to the Israeli government.

"We do not have good relations with Israel," he said. "We are not on talking terms with Israel. We talk through the United States."

If the May agreement with Israel is implemented, he added, Israel and Lebanon will talk directly only about "military and security" matters.

In marked contrast, he seemed to bend over to defend Syria's position, citing only "tactical" differences with the Damascus regime.

Salem arrived in Washington in advance of President Amin Jemayel's talks at the White House

later this week with President Ronald Reagan and other senior U.S. policy-makers. On Saturday, Salem met with Secretary of State George Shultz and later announced that the U.S. and Lebanon are seeking a "new approach" to remove all foreign forces from Lebanon.

In the interview, Salem linked any Israeli redeployment in Lebanon to a fixed timetable for the total withdrawal of all Israeli forces. He said Lebanon would not participate in any plans for a partial withdrawal, which did not include a specific date for the complete departure of Israeli troops.

Despite Syria's continued refusal to cooperate with the troop withdrawal scheme, Salem insisted he remains "very confident and optimistic" that Israeli, Syrian and PLO forces would be out of the country in "a few months."

Salem said Syria is clearly anxious to establish a dialogue with the U.S. He encouraged the Americans to do so, explaining the Syrians have other matters beside their presence in Lebanon on their agenda. He referred specifically to the Golan Heights.

Foreign debt reaches \$21 b.

By AVI TEMKIN
Post Economic Reporter

Israel's foreign debt totalled \$21 billion at the end of March, an increase of \$154 million over the level at the end of December 1982. The figure was released yesterday by the Bank of Israel.

Compared with the debt at the end of March 1982, the country's obligations rose by about \$2.7 billion, from \$18.3 billion to \$21 billion. Thus the rate of increase of the debt over a 12-month period remains relatively high, some 15 per cent, similar to the pace of debt growth since 1981.

As long as Israel is able to renew short-term credits, it will need to repay some \$2.46 billion during the 1983 fiscal year.

This sum is roughly equal to the sums which the U.S. is expected to grant to Israel as aid and long-term loans during the period. This has caused Treasury and Bank of Israel officials to stress that the American administration should take into account the growing needs of the economy when deciding about the size of aid and distribution between grants and loans.

Bank of Israel officials have stressed that the first quarter of the

year usually registers small increases in the foreign debt, and is during the second half of the year that significant increases in obligations levels are registered.

The figures released by the central bank showed that there has been a slight improvement in the time distribution of the debt as compared with December's situation.

The proportion of short-term debt — the debt which should be paid within the year — decreased from 15.4 per cent of the total, or \$3.2b, in December, to 13.9 per cent, \$2.9b, of the total debt at the end of March.

The moderate increase in the country's foreign obligations was the result of two contradictory tendencies. The government's debt increased by \$266m., while the debt of the banking and private sectors decreased by about \$100m.

Most of the loans to the government are of long and medium term duration, mostly by foreign governments and from Israel Bonds.

This explains the reduction in the proportion of short term debts, since most of the loans received by the government are of long- and medium-term character.

Threats said used to get Alterovitz murder confession

By MICHAEL YUDELMAN
Jerusalem Post Reporter

TEL AVIV. — Ronen Shani confessed to the murder of brokerage firm worker Ya'acov Alterovitz because police threatened to put a snake into his cell and to force him to dive handcuffed into the Yarkon River, his attorney Amnon Zichroni told the district court here yesterday.

Shani, 24, and Gil Ben-Gal, 25, are charged with shooting 36-year-old Alterovitz to death on February 20. Ben-Gal is charged with planning the murder of both Alterovitz and his wife, and with getting his friend Shani to help him in exchange for \$25,000.

Zichroni said the confession made by his client had been obtained under pressure, after hours of interrogation, beatings, threats and humiliation by the police investigation team headed by Fakad Zvi Wolf.

On one occasion Wolf allegedly told Shani that he had interrogated the murderer of Nava Elimelech, who confessed after a snake had been put into his cell. "This implies that he would do the same thing to the defendant if he didn't confess," the attorney said.

During the reconstruction of the murder, Zichroni said, the interrogators pointed at the murder spot and threatened Shani that if he failed to confess, he would have to dive into the Yarkon with his handcuffs on.

Denying most of the charges, Zichroni said Shani was visiting his mother, Lizika Segal, at her flat on Bula Street during the time of the murder.

The charge sheet says Ben-Gal, whose main occupation for the past five years was playing the stock market, had several bank accounts, some in his name and others numbered only, which he handled through the Moritz and Tuchler brokerage firm on Tel Aviv's Lilienblum Street. Alterovitz, an employee of the firm, helped and advised Ben-Gal, and was a partner in some of the unnamed, numbered accounts.

The large profits made in these accounts were converted by Ben-Gal into dollars and transferred to the main branch of the Credit Suisse Bank in Geneva, the charge sheet says.

After an argument over their joint bank accounts, the charge sheet continues, Ben-Gal decided that Alterovitz must be murdered. Ben-Gal and Shani broke into Shani's father's flat last year and stole a pistol, long and short-gun barrels, a silencer and ammunition.

Ben-Gal persuaded Shani to carry out the shooting, the charge sheet says, and the two decided to "rehearse" the murder. Last December they shot six bullets at a woman in Petah Tikva, wounding her seriously.

Shani would follow Alterovitz and his wife, looking for an opportunity to shoot them

together, the charge sheet states, but the opportunity did not arise.

On the day of the murder, Ben-Gal picked Alterovitz up from work and took him to a restaurant. After dining with him, at about 6 p.m. he dropped him off near Alterovitz's home on Rehov Ussishkin, while Shani, armed with a pistol, hid nearby. It was a dark, stormy night and heavy rain fell as Alterovitz made his way toward his flat. Suddenly the defendants (the charge sheet mentions both when referring to the shooting) jumped out of the bushes and shot at Alterovitz 11 times, hitting him nine times and killing him.

Two passersby on the sidewalk were also shot at, possibly because they saw the defendants. One of the passersby was wounded in the back and the other in the right arm, the charge sheet says.

Shani and Ben-Gal are also charged with breaking into Lizika Segal's flat and stealing jewelry, some of which was later found buried in Ben-Gal's back yard, together with the short barrel of the pistol.

Both defendants denied the charges, while Shani's attorney asked the court to have a "mini-trial" about the way Shani's confession was obtained by the police. Judges Elyahu Vinograd, Edna Shatzky and Avraham Melshar set the continuation of the trial for Wednesday.



Ann Easton and two of her children feed the ponies at their ranch in Moshav Ma'ale Gamla on the Golan Heights. James and Ann Easton arrived in Israel 10 years ago and recently opened the country's first pony ranch. They intend soon to open a riding school for children at the site. (IPPA)

TA ads said tied to Lahat's re-election

By CAROL COOK
Jerusalem Post Reporter

TEL AVIV. — Two of the candidates in next October's mayoral elections have called for an investigation into the Ministry of Tourism's advertising campaign for Tel Aviv, alleging it is linked to Mayor Shlomo Lahat's campaign for re-election.

MKs Mordechai Virshubski (Shinui) and Dov Ben-Meir (Alignment) have charged that the promotion, under the slogan "Life is great in Tel Aviv," is directed at residents of the city rather than at potential tourists.

Virshubski has asked the State Comptroller to look into the promotion, which is one of several campaigns produced by the Tourism Ministry in an effort to encourage Israelis to visit vacation spots in Israel.

Among other tourist destinations included in the promotion are Nahariya, Netanya, Ashkelon, Haifa, Tiberias, Jerusalem, and

Eilat. The Tel Aviv campaign differs from the others, a Shinui spokesman said, in that it centres on life in Tel Aviv rather than an invitation to visit the city. Virshubski outlined his views in a letter sent to the comptroller yesterday, the spokesman said.

The Alignment's Ben-Meir, meanwhile, wrote to Tourism Minister Avraham Shari, remarking on the timing of the advertising campaign — three months before the municipal elections — and asking for details of its cost.

"What is the point of an advertising campaign in the middle of the summer, when most people have already made their vacation plans?" Ben-Meir asked.

The Tourism Ministry is preparing a series of seven public-service announcements for television to promote the internal tourism campaign, according to Tsvi Rimoni, the ministry's media adviser. The first three ads, for Tel Aviv, Haifa, and the Jewish Quarter

of Jerusalem's Old City, are already filmed. Minute-long spots to promote Tiberias, Ashkelon, Netanya, and Eilat are in production, he said. Rimoni said the ministry plans to run one ad every day from now until the High Holidays.

The spot for Tel Aviv features actor Shaika Ophir as a businessman on holiday. Filmed at the Sheraton hotel, it shows him arriving, unpacking his suitcase (containing a photo of his wife and kids), admiring the view of the marina, and then curving on the beach with a number of young women in swimsuits.

Rimoni praised the ad, saying it "sells Tel Aviv very well," but Haim Bussok, deputy mayor and head of the education department of City Hall, condemned it. "I'm against advertising like that, showing Tel Aviv to be only a place where you go to look at pretty girls. They should have done something more serious," he said.

Tel Aviv 'Parkconcert' called rousing—and silent—success

By CAROL COOK
Jerusalem Post Reporter

TEL AVIV. — Zubin Mehta was impressed. After the 1812 Overture was played, the cannon blasts finished and the last of the fireworks had burned away, the musical director of the Israel Philharmonic Orchestra turned to face the crowd in Hayarkon Park on Saturday night.

"In one month's time, I'm going to direct a concert like this in New York, in Central Park," he said. "And I only hope they'll understand the music as well as you did, and be as quiet as you were."

Estimates of the crowd at the annual "Parkconcert" ranged from 150,000 to 300,000. President Chaim Herzog took the podium afterwards to congratulate Mehta on becoming a grandfather. Mayor Shlomo Lahat served as master of ceremonies. Violinist Itzhak Perlman got a standing ovation.

The only interruption in the evening came during Perlman's performance of the finale from Tchaikovsky's Violin Concerto. As he began to play, a mysterious siren-like blast was heard. Perlman stopped along with the whole orchestra, and everyone peered at the sky.

When quiet returned, Perlman started over. The many children in the audience and even the few dogs, listened respectfully to Handel's Hallelujah Chorus, Brahms's Hungarian Dance Number 5, the last movement of Beethoven's Seventh Symphony, and Ravel's Bolero.

And when it was over, all the music-lovers quietly moved away. Streams of people squeezed onto the footbridge over the Yarkon River that leads to the parking lots of the Ramat Gan stadium — without pushing or shoving. There were no traffic jams.

Credit for the event goes to city hall and to the Tel Aviv Development Foundation, which raised between \$50,000-\$60,000 to finance the concert entirely from private donations.

Foundation Director Hanan Ben-Yehuda said contributions from major banks, insurance companies, building contractors and other private firms made the concert possible without dipping into public funds.

The Parkconcert has been an annual event since 1973, Ben-Yehuda said, except for last year, when it was not held because of the war.

German book says Jews provoked attacks by Nazis

MORINGEN, West Germany (AP).

Jewish leaders and union officials are protesting against a history written for the 1,000th anniversary of this small north German town that says the Jews provoked Nazi attacks and that the Germans fought both world wars in "self-defence."

The 368-page book about Moringen, a town of 7,000 where one of the first Nazi concentration camps was opened in 1933, was written by the town's honorary archivist, Walter Ohlmer.

It says American Jews damaged German stores in the U.S., provoking a night of Nazi attacks on German Jews in what was later called "Kristallnacht," November 9, 1938.

That night, Nazi stormtroopers across Germany plundered Jewish stores, apartments, synagogues and cemeteries and assaulted and killed

dozens of Jews. About 30,000 Jews were arrested overnight and sent to concentration camps.

The Moringen history says the Germans were fighting a war of self-maintenance or self-defence in World War II.

It refers to the concentration camp at Moringen as a "protective custody camp."

The town has sold 1,000 copies of the book, which costs about \$10 (\$500).

But the city will not make a decision on whether to withdraw the book until it has received an explanation of the "historical reasons" for the controversial passages in the book.

The prosecutor's office in Goettingen is examining the book for possible violations of West German laws prohibiting slander of races and inciting racial hatred.

Tisha Be'Av fast starts this evening at 6:40

By JUDY SIEGEL
Jerusalem Post Reporter

The blackest day in the Jewish calendar begins this evening as the Tisha Be'Av fast is observed marking the destruction of the First and Second Temples in Jerusalem.

The fast begins at 6:40 p.m. today, and ends at 7:15 p.m. tomorrow.

Tens of thousands of mourners are expected at the Western Wall during the fast. Many of them will sit on mats and read *kinot* (dirges) and the Book of Lamentations. The scene will be repeated in thousands of synagogues around the country.

Most restaurants and places of entertainment will be closed tonight for Tisha Be'Av, and some government offices and businesses will close early or run on reduced staffs since the fast day is an optional holiday.

Many banks will close tomorrow.

The fast ends a three-week period of mourning, during which observant Jews do not cut their hair, hold weddings, or attend musical or entertainment events. Meat is not eaten during the pre-fast meal nor during the first week of Av.

The fast marks not only the destruction of the First Temple by Nebuchadnezzar in 586 BCE and of the Second Temple by Titus in 70 CE, but also the fall of Bar-Kochba, the ploughing up of Jerusalem by Hadrian, the signing of the decree to expel the Jews from Spain and other national catastrophes.

Radio and TV programmes during Tisha Be'Av have been scheduled with the theme of mourning in mind.

West Bankers stabbed in family feud

KALKILYA (Iltim). — Family feuding ended in near murder in two separate incidents in Samaria on Saturday.

A Kalkilya resident whose wife fled to her parents' home in Tulkarm demanded that she return home. When she refused, he stabbed her, seriously wounding her. Two of the man's sons, aged 15 and 16, who tried to defend their mother, were also stabbed by the

man and seriously injured. The man escaped and has not yet been located by the police.

A resident of Tubas, whose wife fled to her sister's home, asked her to return home. In the heat of argument about her return, the man stabbed his brother-in-law, who tried to intervene in the dispute. The wounded man is reported in very serious condition. The attacker has been arrested.

Protesters want media to present good news

About 100 members of the Society for Israel's Security and the Maoz movement for Soviet Jewry yesterday protested in Jerusalem's Ben-Yehuda Street mall against what they termed a "bias toward accenting the negative" by the radio and TV news service.

Carrying placards such as "Television looks for the negative," "Television — only leftists have access," and "Television — a public instrument, not a private one," the demonstrators bore the message that the media "ignore the positive events in the country."

Dr. Yitzhak Ben-Gad of Netanya, head of the society, said the media do not reflect "majority opinion" and should work "to disseminate love for Israel." He called for an official inquiry into the Broadcasting

Authority — for which volunteers gathered signatures on a petition — and said a second TV channel should be established.

Maoz secretary Golda Yellin accused Radio and TV of ignoring Soviet Jewry, and called for a daily radio programme about Soviet Jews. (Iltim)

EMPLOYMENT. — U.S. Secretary of Labour Ray Donovan will be the keynote speaker at a conference in Israel next March on "Employment Problems in the 1980s." The conference is a joint project of the Ministry of Labour and Social Affairs and the U.S. Department of Labour. Many experts and government officials from abroad are expected to attend.

Arbitrator rules student elections improper

Jerusalem Post Reporter

TEL AVIV. — Yisrael Katz and Avi Binamo, who served as co-chairmen of the National Union of Students, were both elected improperly, ruled retired Supreme Court justice Moshe Landau, the arbitrator in the dispute among the student unions that make up the NUS.

Katz and Binamo claimed that the union's bylaws were amended in 1980, and that their election was in accordance with these regulations.

Landau said on Friday that there is no evidence that the bylaws were amended, and in any case those who allegedly amended them were not empowered to do so. He also found other irregularities in the way in which the elections were conducted, involving decision-making by unauthorized individuals and groups.

As a result, Landau will arrange for new NUS elections, which he will supervise. The number of students enrolled at each university

will serve as the measure of how many delegates to the national union, and hence how many votes, each university receives.

Tel Aviv University's new student association has been officially accepted as a component member of the NUS.

Negev nature park damaged by fire

By LIORA MORIEL

BEERSHEVA. — Over a third of the Nahal Habesor Nature Reserve some 30 kilometres southwest of here went up in flames recently in two separate fires, Nature Reserves Authority inspector Yoav Sharoni said yesterday.

Sharoni said that both fires began after regular burning-off of wheat stems left in nearby fields after the harvest, but apparently they were not supervised and as a result the flames spread to Nahal Habesor.

SUMMER COURSES

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Workshop in Music Education

1. Prof. ALEXANDER RINGER (University of Illinois, U.S.A.)
"Musical Literacy in a Technological Democracy: The Kodaly Approach"
July 20-29, 1983 (10 a.m.—1 p.m.), at the Academy.
2. Prof. HAIM ALEXANDER (Israel)
Mrs. BRITA GLATHE (West Germany):
"Eurythmics and Improvisation"
July 24—August 2, 1983 (10 a.m.—12 noon and 4—7 p.m.), at the Academy.

Work in Composition

1. Prof. ALEXANDER GOEHR (Cambridge University):
"Workshop on Stage Music"
July 27—August 2, 1983, at the Academy;
August 3—5, 1983, at the Music Centre.
2. Dr. ANATOL VIERU — Bucarest
"Silence as a Sculpture of Sound"
August 7—12, 1983, at the Academy.

Master Class for Singers

Mrs. VERA ROZSA — London
July 27, 28 and August 3, 4, 5, 1983, at the Academy;
July 29—August 2, 1983, at the Music Centre.

Performance Workshop of Baroque Music
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EUROCARD WHAT ELSE.

Libyan defeat in Chad is relief for Mitterrand

PARIS (AP). — President Francois Mitterrand was "greatly relieved" when Libyan-supported rebel forces in Chad suffered a crushing defeat during the past week, official French sources reported.

"It got him off the hook — at least temporarily," said one official requesting anonymity.

The Organization of African Unity has called for an immediate cease-fire in the Chad conflict and "national reconciliation" between the government of President

Hissene Habre and rebels led by Goukouni Oueddei.

The call was made in a communique issued Saturday night in Addis Ababa, Ethiopia, after a two-day meeting of a nine-nation OAU committee dealing with the war in Chad.

Chad, a landlocked wilderness with fewer than five million inhabitants, has the largest area of all the 17 formerly French-ruled countries of black Africa. The UN rates it as one of the world's poorest countries.

Chad shows reputed Libyan captive to press

N'DJAMENA, Chad (AP). — In what they said was "physical and human proof" of Libya's direct involvement in the Chadian civil war, authorities presented to western journalists yesterday a barefoot, frightened-looking black youth who said he was a Libyan army corporal taken prisoner last week in northeastern Chad.

The youth, his hands cuffed in front of him, gave his name as

Massoud Bagadai Manizhamt, characterized himself as a reluctant recruit, and said he was sent last month to the rebel base at Faya-Largeau in northern Chad.

The prisoner said that he carried no Libyan identity card and that he had been instructed by superiors to deny his nationality if captured. If he could meet the Libyan leader, Col. Muammar Gaddafi, Bagadai said, "I would ask him to stop the war."

Pressure on whalers to stop the hunt

BRIGHTON, England (Reuters). — The International Whaling Commission (IWC) opens its annual conference at this Channel resort today, amid renewed pressure from whaling opponents.

Last year IWC voted to ban all commercial whaling beginning in 1986. But Japan, the Soviet Union, Norway and Peru filed official objections to the ruling.

Pressure will be applied on the four nations, outside the conference hall as well as at the meeting, to obey the ruling.

The environmentalists' anti-whaling campaign, and depleted stocks of whales, persuaded several countries to stop the hunt.

The anti-whalers, who have the support of the Reagan administra-

tion, can now aim their fire at the four remaining whaling nations.

The U.S. has warned Japan, the world's biggest whaling nation, that its allocated fish catch in U.S. waters may be cut if it does not comply with the IWC ban.

EXPLOSION. — A massive explosion Saturday night destroyed an aluminum plant and injured two workers in the north Wales town of Holyhead, fire brigade officials said.

TALKS. — Pakistan's President Mohammed Zia Ul-Haq arrived in Tokyo yesterday from Shanghai for talks expected to focus on Japan's economic assistance and the Soviet occupation of Afghanistan.

Bahrain to ask for U.S. military aid

MANAMA, Bahrain (AP). — The U.S. will help the Persian Gulf island state of Bahrain in modernizing its defence forces, according to Bahrain's ruler.

Sheik Isa Bin-Salman al-Khalifa, who is due to confer in Washington tomorrow with President Ronald Reagan, gave no details on the military package drafted between his country and the U.S.

Reports published during the June visit to Washington by Crown Prince Hamad, the head of the Bahrain Defence Force, said the U.S. has agreed to provide four Northrop F-5G fighter planes that would serve as the nucleus for an air force.

Isa, chairman of the six-nation Gulf Cooperation Council, is also to discuss over-all Gulf security problems during his talks with Reagan.

With the exception of Saudi Arabia, none of the GCC countries have armed forces anywhere near the military might of either Iraq or Iran.

The smaller GCC countries have been shopping for arms to beef up their defensive capability, partly out of fear that an eventual settlement to the Iraq-Iran war may not necessarily mean stability in the oil-rich Gulf area.

Pentagon seeks more aid for Central America

WASHINGTON (AP). — Defence Department officials are pressing for an increase of 40 to 60 per cent in military aid to friendly countries in Central America over the amounts requested for the next fiscal year, a Reagan administration official said Saturday night.

The official, who spoke on condition that he not be identified, said no decision had been made in the White House on going along with the new figures.

Japanese flock to controversial war film

TOKYO (Reuters). — Japanese are flocking to a controversial new documentary film on World War II and the subsequent Tokyo war crimes trial, which sent Gen. Hideki Tojo and other wartime leaders to the gallows.

The film, which runs for four-and-a-half hours, opened last month at 122 cinemas throughout the country and people are still lining up for standing-room only.

Under the title *Tokyo Salban* (Tokyo Trial), the documentary interweaves footage of the trial hearings with vivid scenes of Japanese troops on the march in China, ferocious Pacific naval battles, the war in Europe and, finally, the devastation of Hiroshima.

Since the bulk of the trial footage was not declassified by Washington until 1973, Japanese born after the war — who make up at least half of cinema audiences — are witnessing one of the more painful episodes in Japanese history for the first time.

Veteran director Masaki Kobayashi, who has made his cinematic reputation on pacifist themes, pieced the film together from hundreds of hours of archive war footage collected in Japan, the U.S., West Germany, the Soviet Union and China.

Kobayashi said that his main aim was to highlight the horror of war and warn against the revival of nationalism in Japan and elsewhere.

"I hope people will learn historical lessons from the film. It depicts well the horrors that the nationalism and racialism of the Japanese and other people brought about," he said.

But for many Japanese who have seen it, the film also carries another message — that the trial was an act of vengeance by the allied powers, politically motivated and judicially suspect.

"The film does not treat (the defendants) heroically, but at the same time points out the contradiction of the winners trying the losers," Seichi Tagawa, a leading member of the centrist New Liberal Club in parliament, said.

U.S. envoy to El Salvador quits post amid criticism

SAN SALVADOR (Reuters). — Washington's outspoken Ambassador Deane Hinton has left his post in El Salvador after two years, denying charges from both extreme right and left that he was dictating policy to the Salvadoran government.

Hinton left El Salvador on Friday in a general reshuffle of President Ronald Reagan's team of central American advisers. As ambassador he had presided over an unprecedented growth in U.S. aid, influence and military involvement in Latin America.

He took up the post in June 1981 when El Salvador's leftist guerrillas were gaining strength in the civil war which had broken out nearly 18 months before.

The country's armed forces were plagued by inefficiency and infighting and annual U.S. aid was less than \$75 million.

Since then, the army has become

more efficient and U.S. military and economic aid to El Salvador this fiscal year was \$531.6m., political and diplomatic sources said.

Criticism of Hinton grew after he made a speech here last October in which he attacked the country's legal system and human-rights record and said that rightist guerrillas were as much a menace to stability as rebels on the left.

About 42,000 people have so far been killed in the civil war.

Hinton has denied he was acting as an American "proconsul." In his final speech as ambassador before the American Chamber of Commerce last week he said his greatest frustration was his failure to "see justice done to the killers of my fellow citizens," referring to the murder in El Salvador of four U.S. churchwomen and two American agricultural advisers.

Truck kills 21 camels in Qatar desert collision

DOHA, Qatar (Reuters). — A truckdriver yesterday killed 21 camels when his truck collided with a caravan along the desert road linking Qatar and the United Arab Emirates, Qatar's news agency reported.

The driver said his truck hit the camels while trying to pass the caravan. He did not turn away from the animals, he said, because he feared his heavily-laden truck would overturn if he veered off the road and into the soft sand.

Waxworks falls victim to real-life thieves

LONDON (AP). — Two men in dark glasses paid at the door to enter Madame Tussaud's waxworks in London on Saturday, then drew guns, Scotland Yard said.

The pair forced manager Mike Drennen to ask two cashiers to open their office, handcuffed all three men, helped themselves to £10,000 (18750,000) of the takings, then strolled out through the turnstiles.

The manacled staff raised the alarm within minutes but the thieves had already escaped.

(Continued from Page One)

truckloads finally reach one of what are known as "illegal ports."

It is the aim of each militia to control one of these ports. For, in the absence of a central authority to impose taxes and customs duties on imports, whoever controls a port — whether a major one such as Beirut's, or a mere jetty, has access to millions of dollars in "customs duties," also known as protection racketeering.

Starting in the north, the ports are as follows:

The Syrians control Tripoli, where the PLO has been ensconced since last fall. But while there are persistent reports that Rifat Assad, the Syrian president's brother, is involved in major drug smuggling, including opium from Turkey, the Syrians lack the contacts for major export operations. Most of the hashish exported from Tripoli therefore goes out on small fishing vessels to North Africa.

The Franjieh family also works out of Tripoli, as well as other ports. The Franjiehs, who control the Christian Tiger militia, made their money with fishing fleets. But the Franjieh fleets, while they bring in plenty of fish, leave Lebanese ports, including Syrian-controlled Tripoli, full of hashish and, often, Turkish opium as well. It is the cash income from the smuggling — mostly to North Africa — that is the financial mainstay of the family.

Junieh was once controlled exclusively by the late Bashir Jemayel. From there, Bashir sent out his share of the Lebanese hash.

Beirut harbour was once shared by the Jemayel brothers, Bashir and Amin. Bashir had control of the hashish trade, while Amin controlled the stolen automobiles and contraband whisky that went through Beirut harbour.

Tyre was, until the Israeli invasion, the Palestinians' stronghold. George Habash controlled one of the ports there, and according to Israeli sources, used it to export hashish. U.S. Congressional sources have been reported in *The Jerusalem Post* as saying that the son of a bar-sar for Habash's Popular Front for the Liberation of Palestine was caught in the U.S. a few years ago trying to trade drugs for hand weapons.

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HASHISH

While Habash's port was probably more involved in the hashish trade than any of the other Palestinian controlled ports, a sophisticated shipping company in Tyre, owned by the PLO and called Samud (Steadfastness), was actively involved in both import and export.

Most of Samud's imports were construction materials and weapons from Western Europe. But PLO contacts in Europe, particularly Greece, also engaged in hashish smuggling.

According to some reports, the hashish operations through PLO-held facilities were not geared to filling PLO coffers, but rather, as in the case of the Syrian-controlled areas, were matters of personal gain by individuals in the PLO.

For an idea of how much money is involved, it is worth noting that during the late summer months of harvest, *An Nahar*, the prestigious Beirut newspaper regularly published "stock" reports on the hashish harvest. Typically, a dunam of marijuana plants could produce about a ton of concentrated hashish. By the time this reaches Europe, broken down into small units for personal use, that ton is worth about \$10 million, at \$10 a gram.

There are no accurate figures on the amount of land under marijuana cultivation in the Syrian-controlled portions of the Bekaa. Estimates range from 10,000 to 20,000 dunams.

Most of the cultivated land is feudally controlled by the Moslem community of Lebanon, in particular the large Shia clans who live near Beirut and in the Bekaa. The landowners lease their land to a peasant family, who then take the

somewhat minimal risk of tending the land and producing the hashish. The greatest risk to the peasants is not from law enforcement agencies, but from marauders from other families.

The harvest lasts through the late summer and early fall, and during that time hundreds of peasants are at work cutting down the marijuana plants that can grow as high as three metres. During the civil war, local cease-fires went into effect when the harvest was underway.

Indeed, sometimes when those cease-fires are broken during the harvest, and artillery shells falling into fields set the crop on fire, the warring parties have been known to join efforts to put out the blaze.

Newspaper accounts of the period confirm that fighting in the areas of the Bekaa ceased during harvest periods.

It is difficult if not impossible to estimate accurately how much money the various groups that controlled ports earned from the hashish trade. In addition to cash payments for the product itself, militias were earning money from the protection of convoys, extortion at ports and from a straight-forward system of pay-offs.

But it is certain that the entire political establishment of Lebanon, including those in and out of power, have profited from the hashish market.

As a senior Israeli police officer noted, "Lebanon is a signatory to all those international agreements prohibiting the distribution of hashish."

"But that signature is about as solid as the smoke that comes from a hash pipe," he added.

(Next: What Israel is doing to stymie the hash imports from Lebanon.)

Sports

Watson wins again

Post Sports Staff
ROYAL BIRKDALE, England. — American Tom Watson won the British Open Golf Championship here yesterday, clinching the Open title in nine years and a round of 70 for a total of 271 under-par.

Just one shot behind were Americans Andy Bean and Irwin, with Australian Ian Marsh next on 277.

Watson, who had not won a tournament for a year, added 113th Open prize to his previous victories in 1975, 77, 80 and 82.

He pulled into the lead with a final two holes in par to hold off challenges of Bean and Irwin.

Netanya clinch Interiors

By JACK LEON

Post Sports Staff

TEL AVIV. — National football league champions Maccabi Netanya on Saturday night won their European Interiors Group competition for the third time, clinching the honours on this occasion by virtue of a tough 2-1 victory over Aarhus of Copenhagen in the Danish capital.

To complete a great weekend for Israeli soccer, Shimshon came through by the same margin in their away match against Switzerland's FC Lucerne, marking the Tel Avivians first success of the current tournament.

Meir Ben-Shitrit scored both Shimshon's goals in Lucerne, hitting in the 49th and 85th minutes before some 2,000 spectators. The two Israeli clubs play their return away matches next weekend, to wind up their Interiors programme for 1983.

Current standings:
Maccabi Netanya 5 16-10
Aarhus 4 12-14
Shimshon Tel Aviv 5 4-3
Lucerne 4 7-10

Foreign runners first to the tape

Post Sports Staff

TEL AVIV. — Foreign runners dominated many of the meet events on Saturday night at the Track and Field Championships at the Hadar Yosef stadium here.

Harold Steindor of West Germany took first place in the 10 metre hurdles, with Shmuel (Hapoel Tel Aviv) second. England's Tim Redman won the 5,000m, two seconds clear of Ganfil (Maccabi Tel Aviv) and Wyn Austrey of England won the tape in the 100 metres in a time of 10.67.

The women were more successful, however, with Puhar (400m hurdles), Petra Kleins (800m) and Dalit Bunin (100m) winning their events.

England set for victory

LONDON (AP). — England declared its second innings closed 446 for 6 on the fourth day of the first cricket Test match against Zealand at London's Oval today, setting the New Zealand target of 460 runs to win.

Allan Lamb was not out for 43. It seemed that England captain Bob Willis had allowed Lamb to reach his century after the break before putting the other batsmen to bat.

The visitors, however, battled in yesterday's afternoon and evening sessions, pushing to 122 for loss of two wickets. opener John Wright played solidly to reach 50 not out, with captain Geoff Howarth undefeated on 30, just before the close.

Saturday's baseball

American League
New York 3, Texas 1; Oakland 2, Boston 2
Toronto 7, Chicago 5; Cleveland 17, Kansas City 3
California 5, Baltimore 4; Milwaukee 4, Minnesota 0; Seattle 1, Detroit 0

National League
St. Louis 9, San Francisco 3; Philadelphia 3, Cincinnati 3; Atlanta 6, Montreal 3
New York 11, Los Angeles 7; Chicago 6, Pittsburgh 3; San Diego 2

(Advertising Section)

THE INSIDE TRACK

A perceptive guide to shopping and services in Jerusalem

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Who's Worrying?

The Newborn Recovery Will Be Tricky to Nurse Along

By LEONARD SILK

THE recovery is now zipping along, not limping along as it was earlier this year. But the complicated task facing economic policy makers and money managers is how to insure that this expansion will have a long and healthy life, starting from where we are, which is where we shouldn't be starting from.

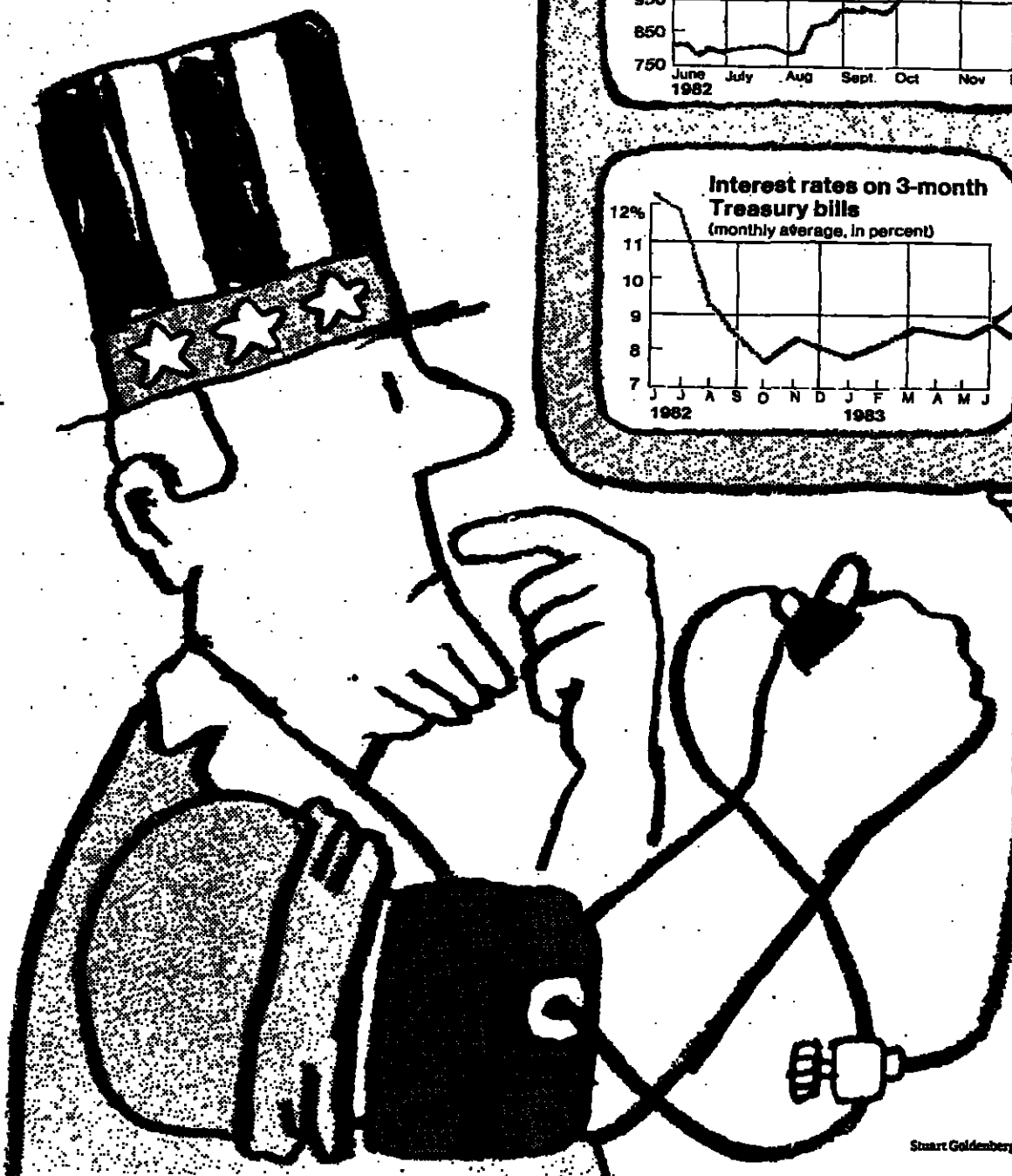
For the recovery has begun with interest rates already at very high levels and starting to move up again; the money supply is growing a lot faster than the guidelines the Federal Reserve had set for itself; and huge budget deficits loom years into the future — requiring Government borrowing that would bring Uncle Sam into increasing competition with private business and personal borrowers as the economy revives. An intensified struggle for the public's savings would put even greater upward pressure on interest rates, threatening to squish business investment in new plant and equipment, hurt the stock and bond markets, knock the housing and auto industries back on their heels and cause the recovery to abort — something that President Reagan and the Republican Party have powerful reasons for not wanting to see happen in 1984.

Last week, Paul A. Volcker, during his confirmation hearing before the Senate Banking Committee on his nomination by President Reagan for a second term, won the heartfelt sympathy of the committee for the "four bad years" that may await him. His reception was in large measure due to his triumph over inflation. Last week, the Labor Department announced a rise of 0.5 percent in wholesale prices for June. Even so, the Producer Price Index declined at a 1 percent annual rate during the first half of the year.

But with recovery, the danger of a pickup in inflation has risen. Mr. Volcker, warning that he might or might not serve out a second four-year term, said the worst problem facing monetary policy was the deficit, which represented the "major risk in disrupting what I think could be a more than satisfactory performance with very favorable long-term consequences." He added: "When I look at the risk to that, the complications to that, the deficits stand out there as clearly No. 1." He urged Congress and the White House to make reducing the budget deficits, now expected to run close to \$200 billion a year for the next four years, their top priority.

Both Congress and the President have been trumpeting the same call to each other. But they disagree on whether to close the gap by scaling down military or civilian spending, raising taxes or, as the supply-siders in President Reagan's corner still argue — as does the President himself on occasion — by further tax-cutting. But Congress and the White House are still waging the battle of the budget with cream puffs and custard pies. This year's proposed reductions are likely to amount to no more than 10 percent of the projected deficit.

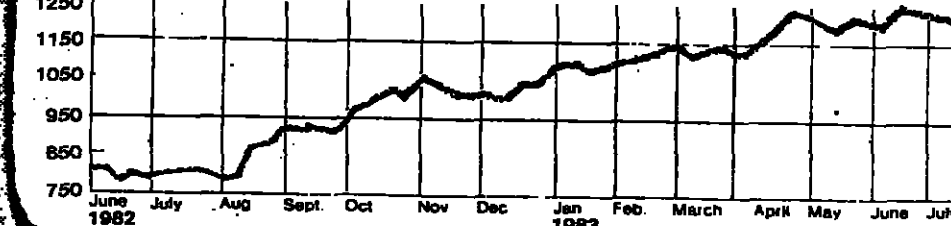
Despite such worries — indeed partly because of the push from the deficit and partly because of the rapid growth of the money supply as the Federal Reserve followed what Mr. Volcker called an "accommodative" monetary policy — the economy has been reviving faster



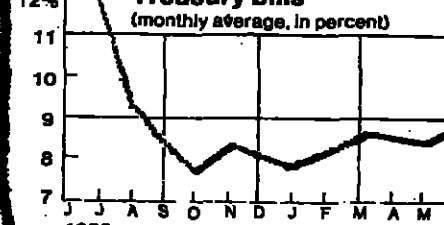
Stuart Goldenberg

Pressure points

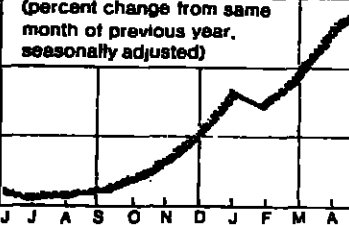
Dow Jones Industrial average (weekly close)



Interest rates on 3-month Treasury bills (monthly average, in percent)



Industrial production (percent change from same month of previous year, seasonally adjusted)



Source: Federal Reserve Board

son to both the stock and bond markets.

Where does the Fed go from here? That was less easy to tell. Mr. Volcker indicated he would not expect a rapid deceleration in money supply growth. "It's rather obvious," he said, "we haven't taken a strong or dramatic action in the last few weeks." He refused to say just what the Fed's Open Market Policy Committee had decided to do at its meeting early last week. But he also said, "I don't think you'll find those decisions terribly dramatic."

The Fed's new policy appears to be one of tiddling toward restraint — especially with President Reagan's spokesmen sternly warning that the Administration does not wish to see higher interest rates, and indeed wants them lower.

A major reason for the Administration's ardent coaching — besides its obvious concern about the 1984 election — is its desire to see a strong revival of capital investment. The entire advance advertising of the Reagan economic program was that big, so-called supply-side tax cuts would revive capital spending in new plant and equipment and thereby strengthen national productivity, create jobs, strengthen the rate of economic growth and increase American competitiveness in the world.

Thus far that revival has not happened. Business expenditures on new plant and equipment peaked at an annual rate of \$328 billion in the third quarter of 1981 and have since fallen to \$302 billion in the second quarter of this year. A modest revival of capital spending is expected in the second half of the year, but a climb in interest rates could nip it in the bud.

Furthermore, rising interest rates mean a strengthening dollar, which in turn makes American exports more costly and imports cheaper. The United States trade balance is already in deep deficit, with imports expected to exceed exports this year by \$80 billion. The United States economy is recovering faster than foreign economies, and an overly strong dollar would jeopardize the Administration's hopes of regaining a larger American share of the world market and weigh down the recovery.

Rising military expenditures, rising Social Security and other transfer payments, lower taxes and huge budget deficits have all served to buoy the United States economy in face of strong downward pressures resulting from the tight-money policies that broke the back of inflation. But those sustaining factors during the slump threaten to drag down the economy during the expansion.

The Federal Reserve chairman, now commonly called the second most powerful man in the nation, does not have the power to affect the crucial military, social and fiscal decisions. All he can do is gently lecture, as he sought to do once more last week. But however skillful and cautious he may be in conducting monetary policy, that's no longer where the critical action is.

than just about anyone expected.

Real gross national product climbed at an annual rate of 6.6 percent in the April-June quarter of this year, after gaining at only a 2.6 percent rate in the first quarter.

Industrial production, after sagging from July 1981 to November 1982 (when the National Bureau of Economic Research, the quasi-official chronicler of business cycles, now says the recession ended) is continuing its smart upturn of recent months, as industry stopped working off its inventories. A June jump of 1.1 percent production was reported last week.

The auto business has picked up so sharply that once near-dead Chrysler said last week it would pay off some \$800 million in rescue loans seven years earlier than it had to. Housing starts are running at an annual rate of 1.7 million, up 70 percent from a year ago.

Employment has been growing, with 4.2 million workers finding jobs since the turn of the year. But the labor force has also grown that much, so unemployment has come down very little. In June, 11.1 million workers

remained jobless, actually a half million more than a year ago. But the civilian unemployment rate, which peaked at 10.8 percent last December, was down to 10 percent last month thanks to the labor-force growth — though black unemployment still hangs at 20.6 percent and joblessness among black teenagers at a tragic 50.6 percent.

The stock market, hailed by economists as a fairly reliable forecaster of recoveries, had seen this one coming from afar. It hit bottom last summer, with the Dow-Jones Industrial Average touching 800 in June 1982. It took off in August, to hit 1280 this June. It has since run into snags, last week dipping below 1200.

What, in the midst of returning prosperity, has made the market so queasy? The answer emerged partly from Mr. Volcker's testimony. Of the Fed's monetary course he said, "We have been slightly less accommodating in recent weeks." As the market correctly divined, the central bank has been tightening up a bit on the growth of the money supply. That tightening, together with an expectation of more to come, had pushed up interest rates — poi-

Major News

In Summary

Could This Be The Start of Something Big?

In the absence of solid achievement, the atmospherics of East-West relations can assume a curious importance. Is the barometer really rising? Western leaders last week weighed whether minor Soviet concessions on arms control and human rights could signal something major.

At the long-dormant Madrid conference on European security and cooperation, the Russians withdrew some stubborn obstacles to compromise. American officials thereupon formally accepted an agreement that may bring the three-year conference to a close this week (if objections by Malta can be finessed) and open the way for Soviet Foreign Minister Andrei A. Gromyko to meet with Secretary of State George F. Shultz.

They would have met anyway at the United Nations in September but diplomatic weathermen tested the wind for portents of a get-together of their bosses, President Reagan and Yuri V. Andropov.

The Madrid package included private Soviet promises to let some dissidents (but not international figures such as Andrei D. Sakharov and Anatoly B. Shcharansky) or Yuri Orlov, a founder of a committee to monitor Soviet compliance with the 1975 Helsinki agreement, who is on hunger strike in a labor camp) emigrate this year. It came too late for Viktor Tomashinsky, who had led the temerity to bring a lawsuit

against the K.G.B. He died in prison of pneumonia last week. The agreement also provided for a follow-up international meeting on emigration and reuniting families to be held in 1986; emigration of Soviet Jews has been reduced to a 13-year low. But last week remaining members of a Pentecostal group that had camped in the American Embassy received their exit visas.

The Russians and their Polish allies also agreed to add the "right of workers freely to establish and join trade unions" to the much-violated list of human rights provisions the Kremlin accepted at Helsinki in 1975.

In addition, the Soviet Union agreed to an agenda item at another follow-up conference, on giving advance notice of military maneuvers planned from the Atlantic Ocean to the Ural Mountains — widening the zone in which Moscow would have to give such notices.

About the same time, at the strategic arms negotiations in Geneva, the Russians proposed new ceilings on nuclear weapons — lower than the (unratified) 1979 SALT II levels but leaving intact the Soviet panoply of land-based multiple-warhead missiles that Washington wants to reduce sharply. "A step in the right direction," said a senior State Department official, "a little momentum. Maybe." Mr. Reagan in his national radio address yesterday reiterated his willingness to consider "any serious Soviet counter-offer."

The new Soviet proposal fleshed out Moscow's earlier call for a ceiling of 1,800 delivery vehicles — missiles and bombers — for each side. It set

subliminally, notably 1,200 for multiple-warhead missiles to be based on land or submarines plus strategic bombers carrying cruise missiles. Moscow no longer insists on banning cruise.

Some Washington officials, however, saw the various Russian moves as merely ploys to soften world opinion and, specifically, to encourage West European opposition to installation of cruise and Pershing 2 medium-range missiles later this year.

Bracing for expected protests in West Germany, Chancellor Helmut Kohl's Government last week proposed a statute making it a criminal offense to display police orders to leave a violent demonstration. The measure, which requires parliamentary approval, was assailed as an infringement of freedom of expression by the president of the West German Federal law courts.

Enlarging the U.S. Arsenal

Exercise in futility or no, Senators opposed to the 10-warhead MX missile last week tried to make their own megapoint with slow down tactics, provoking a rare Saturday session.

In the end, the Senate seems likely to brush aside the objections and vote for spending \$4.5 billion on the missile, which the Air Force hopes to begin lowering into reinforced silos by 1986. But opponents — including Democrat Gary Hart of Colorado — said extended debate was needed to make clear why going ahead was a mistake. He said it would do nothing less than "radically change our world and place at risk the very future of civilization." Defenders said rejecting MX would deprive the Administration of a vital arms-talk bargaining chip. And besides, said Ted Stevens of Alaska, the No. 2 Senate Republican, Mr. Hart, a contender for his party's Presidential nomination,

was "grandstanding for weekend publicity." A House vote on the MX is possible this week, and there the missile probably will face heavier going.

Earlier in the Senate's consideration of the Pentagon's \$200 billion fiscal 1984 authorization, other weapons attracted considerable flak. With Vice President Bush breaking a tie, the Senate approved, 50 to 49, production of a new nerve-gas weapon for the first time since 1969, when President Nixon ordered a unilateral halt to production. Opponents said resuming production — in this case for bi-nary bombs or artillery shells — would mark a dangerous escalation of the arms race. But supporters maintained the Soviet Union wouldn't be inclined to reduce its stockpile unless the American arsenal was primed. Nerve gas production is one of many matters to be sorted out in a House-Senate conference; the House last month voted to kill the program.

A proposal guaranteeing that purchases of the B-1 bomber — which was shot down by the Carter Admin-

istration and then resurrected by the Reagan White House — would continue through 1986 was approved two to one. And, over the Pentagon's objections, the Senate voted overwhelmingly to establish an independent office to monitor the armed forces' weapons testing. Earlier in the week, a study revealed that the military had paid excessively high prices for certain spare parts. Over a three-year period, according to the Defense Department's inspector general, "over 4,000 spare parts increased in price over 500 percent." Deputy Defense Secretary Paul Thayer conceded that the Pentagon was afflicted with a degree of "waste and abuse" but promised fast improvement.

U.S. and Greece Settle on Bases

Washington and Athens shook hands last week on an agreement extending the American military pres-

ence in Greece for at least another five years. Differences in interpretation made it sound like each side got more than the other side said it gave.

Socialist Prime Minister Andreas Papandreu, who campaigned in 1981 that he would end the "strictly colonial" arrangement under which the United States has maintained bases in Greece since 1953, said he had done just that. He spoke as if there were no question about the Americans packing up in 1988. Describing the agreement as "a timetable for the withdrawal of the bases," he said they would be dismantled within 17 months after the five years were up.

Such rhetoric could have been mainly for local consumption, and that seemed to be the spirit in which the State Department took it. United States officials said the deal did not call for an automatic end to the American presence in five years, and there were strong hints that Washington expects to maintain Greek bases for the foreseeable future, renegotiating the terms when necessary.

A leader of the Greek Communist Party, which had pressured Mr. Papandreu to take a harder line in the negotiations, suggested that Washington might get its way.

Mr. Papandreu was reportedly at odds with the State Department in his interpretation of another detail, saying the United States had committed itself to maintaining a 7-to-10 ratio in Greek and Turkish military aid. Washington said there was no such commitment, but the Reagan Administration has asked that military aid to Greece for fiscal 1984 be increased from \$280 million to \$300 million, a figure roughly in line with that ratio. The bases at stake include four major installations and perhaps 20 smaller ones. The 3,700 military personnel stationed there perform naval support, training and communications functions. Details of the agreement, which took 10 months to negotiate, are to be made public next month.

Tracking cruise missiles

3

Inside and out, pressures on Nicaragua are rising

4

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The Nation

Some Trade-Offs As Congress Tackles Budget

Its August recess looming closer by the day, Congress moved in on Federal spending last week. The contrast with the first two years of the Reagan Presidency, and acquiescence to the Administration's budget-cutting program, was marked.

While the Pentagon preoccupied the Senate, the House plunged ahead on social programs. The Democratic majority looked for ways to duck the "big spender" label as it sought capital in championing the needy; the Republican minority tried not to appear heartless or insensitive, and members of both parties crossed the aisle.

On public works jobs, a sizable Republican group lent support to a near-unanimous Democratic bloc in a 306-to-113 vote to give local governments \$425 million a year for three years to help high unemployment communities. Though President Reagan opposes the bill, it gives Congressmen who support it a highly visible demonstration of their concern for shaky home districts. On housing, however, the Democrats bowed to the Republicans, cutting to \$15.6 billion a \$23.6 billion bill that would put Washington back in the business of building housing for the poor.

On the veto front, all was quiet but ominous. As expected, Mr. Reagan signed the three appropriations bills for 1984 to reach his desk so far. But they were designed to avoid rejection of bills that don't pass the President's budget muster. Late in the week, two House Democrats joined 144 House Republicans in pledging by letter to support the President in containing "massive increases" in spending. That makes 146, exactly the number needed to sustain a veto in the House.

A Harvest Of Bromides

A John Deere tractor isn't assembled by committee and neither, it seems, can be national farm policy. Last week, 75 farmers and agribusiness leaders met in Washington, at the invitation of the Department of Agriculture, and in two days of closed-door talks couldn't agree on how to fix up farm policy.

Not surprisingly, most farmers at the meeting were said to have supported programs that would permit them to produce and sell as much or as little as they liked — but with the Government standing by to rush to their rescue whenever the going got rough. And there was steadfast support for expanding farm exports — but little advice on how a dramatic expansion could be undertaken without increasing the Government's expensive export subsidies and risking trade wars with its allies.

So why hold the conference in the first place? There was some speculation that the Administration saw a chance to deflect criticism of Agriculture Secretary John R. Block while demonstrating that nobody else can come up with anything better. Many of the Government's current policies are set by the Farm Act of 1981 that that expires at the end of next year, a measure that is responsible for what Mr. Block called "indefensible" outlays.

Politics as Usual At the N.A.A.C.P.

The National Association for the Advancement of Colored People is the largest and most venerable of civil rights organizations. And perhaps because of its age as much as because of inoperable times, it has been rent by internal bickering and dismissive attacks.

Both were manifest last week during for the organization's 74th national convention. So was another important fact of the association's long life. Most of its more than 300,000 members are traditionalists and consequently they tend to vote.



Benjamin L. Hooks speaking in New Orleans last week.

Kenneth B. Clark, the black social scientist, might describe the N.A.A.C.P. "on the verge of total contemporary irrelevance," as he did on the Op-Ed Page of The New York Times on Thursday. And the Rev. Jesse L. Jackson, who has been teasing political leaders with talk of a black Presidential candidacy, was not invited to speak in the New Orleans Exhibition Center.

But five of the six declared Democratic candidates showed up to appeal for support. So did Vice President George Bush, to press the Reagan Administration's contention that it is sensitive to the concerns of blacks. Predictably, the 3,000 delegates displayed the most exuberant affection for former Vice President Walter F. Mondale, who is considered a long-time friend of the cause, and the most hostility — extending to hisses and boos — to Mr. Bush.

As for the internal politics that Mr. Clark last week characterized as "beyond embarrassment," the latest chapter read like this. A committee of the board of directors, appointed to investigate charges of mismanagement brought by the chairman, Margaret Bush Wilson, against the executive director, Benjamin L. Hooks, delivered itself of a report. It supported Mr. Hooks and repudiated Mrs. Wilson. Mrs. Wilson was stripped of her powers in June, after suspending and then reinstating Mr. Hooks. The report, she said last week, was "prepared by Mr. Hooks and his people"; board members said the committee was selected by her, before the suspension.

Sex, Ethics And Congress

Charges that sexual improprieties are rampant on Capitol Hill were found to be groundless, but the House Ethics Committee — in a report last week on its year-long investigation — said that two members of the House had had sexual relationships with teen-age Congressional messengers.

The committee said that Illinois Republican Daniel B. Crane had an affair with a 17-year-old female page three years ago and that, 10 years ago, Massachusetts Democrat Gerry E. Studds had a relationship with a 17-year-old male page and also had made advances to two other male pages. The panel said the misconduct "were isolated instances, not typical of members of the House of Representatives or of its employees."

The Congressmen admitted the charges were true and said they wouldn't contest the recommended punishment, a formal reprimand.

"I'm human and in no way did I violate my oath of office," Mr. Crane said in a statement. "I only hope my wife and children will forgive me." Mr. Studds, in a dramatic floor speech, acknowledged that he was a homosexual. "It is not a simple task for any of us to meet adequately the obligations of either public or private life, let alone both," he said. "But these challenges are made substantially more complex when one is, as I am, both an elected public official and gay." Mr. Studds, a liberal who was first elected from his Cape Cod district in 1972, said "of course" he intended to serve out his term in Congress.

Yesterday, the staff of Mr. Crane, a staunch conservative who narrowly won his third term last fall, said he planned to run again.

The committee also said that James C. Howarth, a supervisor of House pages, "engaged in a sexual relationship with a 17-year-old female in 1980" and had purchased cocaine in a Democratic cloakroom. Unlike Mr. Studds and Mr. Crane, Mr. Howarth didn't waive his right to a public hearing. A committee spokesman said other drug-related charges were still being investigated.

Rising Trust In Government

The struggles over racial integration and the Watergate scandal are widely regarded as among the traumatic events of the last two decades that made public regard for the Federal Government drop to rock-bottom. But now, researchers say, Americans are discernibly more inclined to have confidence in their public institutions and the bureaucrats who toil therein.

According to a national survey taken last year by the Institute for Social Research at the University of Michigan, 33 percent of those polled said they believe that Washington can be trusted to do what is right "just about always" or "most of the time." That's still far short of the 76 percent score the Government drew in 1964, but a significant increase over 1980's survey, when only 25 percent gave a thumbs-up.

"The American public remains predominantly negative toward government and public officials," said Arthur H. Miller, an associate professor of political science at the University of Michigan, "but the shift toward a more positive attitude is historically and politically important."

Michael Wright and Caroline Rand Herron

White House Denied a Surge of Activity Last Week Was Political

Civil Rights Moves Are Faintly Praised

By ROBERT PEAR

WASHINGTON — Not since Congress passed the Fair Housing Act of 1968, six days after the killing of the Rev. Dr. Martin Luther King Jr., has the capital seen such a flurry of official civil rights activity.

The Reagan Administration last week filed its first school desegregation suit, against the State of Alabama, and sent draft legislation to Congress to strengthen enforcement of the housing law. President Reagan's three nominees to the United States Commission on Civil Rights stressed their concern for blacks, women and Hispanic Americans as they went through rigorous questioning at a Senate confirmation hearing. The Justice Department asked a Federal court to enforce the Voting Rights Act in two counties of Mississippi. And Mr. Reagan signed an executive order requiring Federal agencies to give greater attention to minority businesses in awarding contracts.

William Bradford Reynolds, the Assistant Attorney General for civil rights, just back from a tour of the Mississippi Delta, denied that the moves had been "orchestrated," and Attorney General William French Smith said any suggestion of a political motive was "totally unwarranted." But as serious planning for a possible re-election bid got under way last week, White House officials went out of their way to emphasize the President's long-standing civil rights commitment. To many observers, it appeared that politics was galvanizing the President to do what he might not have done for the sake of principle.

Senator Howard M. Metzenbaum, Democrat of Ohio, described the initiatives as "tokenism." Ralph G. Nease, executive director of the Leadership Conference on Civil Rights, a coalition of 165 national organizations, said the Administration's civil rights record had been "abysmal." The Congressional Black Caucus called it "abominable." Senator Patrick J. Leahy, Democrat of Vermont, said the activity prior to the hearing on the civil rights commission nominees reminded him of the way in which the Administration had floated arms control proposals while lobbying for Senate confirmation of Kenneth L. Adelman as director of the Arms Control and Disarmament Agency.

Some conservatives doubt whether the civil rights strategy will work. Howard Phillips, chairman of the Conservative Caucus, said: "The Administration is trying to appease the liberal Democratic black leadership by accepting their premises and arguing about the details. But there's no way the President is going to be able to out-promise Walter Mondale or John Glenn. He

should be going on the offensive to secure the support of the black middle class, which is essentially conservative on issues such as crime, abortion and national defense."

Senator Bob Dole, Republican of Kansas, said it was frustrating for Republican supporters of civil rights to see the President subjected to a "daily avalanche" of criticism. On the whole, many Republicans seemed to be saying that Mr. Reagan's motives were less important than the result: support for civil rights. But Democrats were skeptical. They said the credentials of the Civil Rights Commission nominees — all Democrats — were less important than the dangerous precedent Mr. Reagan would establish by dismissing the incumbents simply because he disliked their views. Democratic senators on the Judiciary Committee forced postponement of a confirmation vote until September.

William L. Taylor, a former staff director of the commission, called the Reagan initiatives "an extraordinary public relations offensive" and said, "It doesn't have any real substance so far as I can tell." But, he added, it was helpful to civil rights groups to have the Administration acknowledge the need for a stronger fair housing law. "It enhances our chances in Congress," he said.

The housing debate now moves to the question of remedies. Civil rights groups want a system of administrative law judges, who they say could decide cases much more swiftly than regular Federal judges. President Reagan and the National Association of Realtors say that Federal Courts are the proper tribunal. Thomas Atkins, general counsel of the National Association for the Advancement of Colored People, called the Administration's approach to school desegregation reluctant and ineffective. The Justice Department, he said, had been under a court order to take action on the Alabama case. In cases where the Administration is not under court order, lawyers noted, it prefers voluntary school desegregation plans, as in Chicago.

Administration officials sometimes imply that their only major disagreement with civil rights groups is over the use of quotas and busing to overcome the effects of discrimination in employment and education. But Hyman Bookbinder of the American Jewish Committee, a firm opponent



Students on the campus of the University of Alabama in Tuscaloosa last week.

of quotas, said there was "a very broadly held perception that this Administration and this Department of Justice are seeking to roll back the civil rights progress of the last 20 years."

Public opinion polls show that Mr. Reagan has little support among blacks, and Administration officials express little hope of winning more. Frank R. Parker of the Lawyers' Committee for Civil Rights Under Law said he saw the President's civil rights overtures as "an effort to convince white middle-class voters who believe in racial equality that the Administration believes in enforcing the law." Others said the strategy appeared designed to counteract a perception that the Administration's programs were unfair to minorities and the poor.

The White House may have thus concluded that support for civil rights is good politics — that minority rights have majority support. But Mr. Reagan must walk a fine line. He must appear interested in enforcing the civil rights laws. But if he appears too zealous, according to observers at both ends of the political spectrum, he could easily alienate some of his conservative constituency.

Some Democrats Say Debate Inquiry Detracts From 'Real Issues'



President Reagan's 1980 campaign archives stored at the Hoover Institution on War, Revolution and Peace at Stanford University.

Leaders Watch Warily as Albosta Presses Forward

By MARTIN TOLCHIN

WASHINGTON — "I just don't see it as any clamoring issue out there," Speaker Thomas P. O'Neill Jr. said, explaining his disdain for a House subcommittee's investigation of alleged political espionage involving President Reagan's aides in the 1980 Presidential campaign.

The disapproval of virtually the entire House leadership, both Democratic and Republican, has failed to dim the enthusiasm of Representative Donald J. Albosta, a junior Michigan Democrat who is chairman of the Human Resources subcommittee of the Post Office and Civil Service committee. He finds himself in the odd position of conducting an investigation that already has embarrassed the President and many of his advisers, but is opposed by the hierarchy of his own party.

On the Senate side, Robert C. Byrd of West Virginia, the minority leader, says that he is pleased with the pace of the inquiries being conducted by the Justice Department and the House subcommittee and does not believe that the Senate should enter the dispute. However, several Democratic members of the Judiciary Committee think otherwise. Senator Dennis DeConcini of Arizona said he would introduce legislation calling for the appointment of a special prosecutor.

Congressional Republican leaders understandably regard the allegations as much ado about nothing. But it is the opposition of Democratic Congressional leaders that has surprised many in Washington. Democrats might be expected to be ecstatic over the opportunity to embarrass the Reagan White House. Many of President Reagan's top aides were involved in the campaign and have acknowledged use of the documents, alleged to have been obtained from the Carter White House to prepare Mr. Reagan for a debate. Former President Carter himself, in his first substantive comment on matter, last week said the

papers revealed the "essence of our campaign."

As he tells it, Mr. Albosta made the decision to launch his inquiry independently, at the suggestion of his subcommittee staff. Mr. Albosta, who has made headlines almost daily, was a hero in the July 4th parade in Traverse City, where constituents called out, "Keep 'em clean, Don."

Except for one misstep, he has conducted the investigation with considerable caution. "I think he's approaching it in a rational, calm and orderly way," said Representative Thomas S. Foley, Democrat of Washington, the Majority Whip. Mr. Albosta's intention of appointing a special counsel, and the quality of his small staff, have allayed some Democratic fears. Had the Democratic leaders insisted, it is fair to say that Mr. Albosta would have found himself stripped of jurisdiction, staff and funds. Instead, the investigation continues, but on sufferance. Mr. O'Neill no less than Mr. Reagan doesn't want to be placed in the position of quashing an inquiry. But the House Democratic leaders want to place considerable distance between themselves and Mr. Albosta's undertaking. Last week, Mr. O'Neill suggested that if an inquiry is to continue, it should be shifted to House Judiciary.

The House leadership is uneasy about Mr. Albosta on several grounds. As a third-term member, he is considered untested. Senior Democrats also raise questions about his past campaign tactics and financing, issues on which he could be vulnerable. When Mr. Albosta suggested that sex may have been involved in the acquisition of Carter campaign documents, several House leaders feared that the investigation was in the hands of someone who would discredit the House.

But there are other reasons why the Democratic leadership is unenthusiastic. If no other Congressional panel has leapt to the challenge, it is probably because Democratic leaders believe that such inquiries will be widely regarded as political and partisan. As a result, Mr. Albosta has gone to

some lengths to involve Republicans in the investigation, and has promised to keep them fully apprised of developments in the case. More seriously, the Democratic leaders fear that the investigation will turn into a sideshow, diverting attention from what they regard as more fundamental flaws in Ronald Reagan's Presidency. These focus on continuing high unemployment, and the Democrats' charges that Mr. Reagan has helped the rich at the expense of the poor.

Congressional Democrats succeeded last year in setting the campaign agenda, and making Social Security, unemployment and "fairness" major issues. They see no reason why they cannot set the agenda next year, and believe they have much stronger issues than the campaign caper.

Representative Jim Wright, Texas Democrat, the Majority Leader, said, "These are not the fundamental wrongs of the Reagan Administration." House Democratic leaders also believe that a Congressional investigation may speed the removal of Reagan aides, rather than allow them to remain a lingering embarrassment. Many rank-and-file House Democrats believe that the dispute has the makings of "a soap opera." In the words of Representative Tony Coelho, chairman of the Congressional Campaign Committee. They do not take the matter very seriously.

Mr. Albosta does not understand such reasoning. "I wish I had the blessings of the Speaker," Mr. Albosta said, "but I know I have the majority of the people in the Congress. I don't think the investigation diminishes the issue of the economy. It only shows that not only has the Reagan Administration failed in the area of unemployment but they also failed in the area of ethics, if the allegations are true."

House Republicans have struck back, in what many Democrats believe is an effort to distract attention from any embarrassment. The Republicans have charged the Democrats with substantial, substantive alterations of committee records, including one case in which an amendment to an education bill was increased from 67 words to 396 after it was approved by the Education and Labor Committee.

The Speaker met with Mr. Albosta one night last week for a discussion of the investigation. "I told him, 'Don't overstep your bounds,'" Mr. O'Neill said. "What constituted overstepping? 'They'd have to do something rash that I didn't agree with,'" he said with a grin.

A Step Ahead for U.S. Weapons Technology Could Be a Step Backward for Arms Control

Cruise Missile
Passes Tests but
Its Critics Score Too

By CHARLES MOHR

APPROXIMATELY 120 air-launched cruise missiles, armed with nuclear explosives, are mounted on Air Force B-52 bombers that stand "airstrip alert" at bases in New York and Michigan. Another 260 are on other planes or in storage. In December a minimum of 18 ground-launched cruise missiles are expected to be placed on launch vehicles at a base in Great Britain. Ultimately, thousands of the flying torpedoes built at a cost of several billion dollars are likely to be a part of the United States arsenal.

But how well do they work? In spite of some recent test failures and skepticism in past Congressional research reports, advocates of cruise missiles insist they do work, but sometimes concede by no means perfectly.

Although steadily increasing numbers of cruise missiles are being issued to military units, "operational testing" by the actual military users of the weapons, rather than white-coated contractor engineers, is incomplete. Testing has been marked by some failures in which missiles have crashed into the desolate Southwestern wilderness over which the missiles had been programmed to skim, but those failures have been followed by a string of proclaimed successes. After two such failures in six months, three successful flights were made last month.

A cruise missile is a small, unmanned, aircraft carrying an explosive warhead, nuclear or conventional. Powered by a light turbo-fan jet engine, rather than rockets, it plugs along at a slow speed of less than 500 miles an hour and at a relatively low, "sea-skimming" altitude. Like manned bombers, it is an "air breather" vehicle. The wings are small and slender, and it is designed to crash into its target.

In the mid- and late-1970's cruise missiles were often hailed as probably unstoppable wonder weapons and a form of technology in which the United States held a commanding lead over the Soviet Union.

The first batch of air-launched cruise missiles, known as ALCM, have been assigned to two B-52 bomber wings, one stationed at Griffiss Air Force Base near Rome, N.Y., and the other at Wurtsmith Air Force Base near Oscoda, Mich. In the present configuration, each bomber — between 14 and 16 B-52's are assigned to a wing — can carry 12 missiles. About 30 percent of such aircraft are kept ready for takeoff within minutes.

The General Dynamics ground-launched cruise missile, or GLCM, is now a focus of an international controversy because it is one part of a force of 572 medium-range nuclear missiles which the NATO alliance intends to place in Europe between December of this year and the end of 1985.

Cruise missiles have been a favorite of many political liberals, who tended to regard them as a relatively inexpensive substitute for new manned bombers such as the B-1 and as less destabilizing to arms control than such ballistic missiles as the MX. Today there is a tendency among many authorities to agree, albeit grudgingly in some cases, that cruise missiles should be viewed in a somewhat less flattering light. Some of these experts agree that:

• The massive air defense forces of the Soviet Union already are capable of shooting down at least some of the slow, straight-flying cruise missiles with missiles and guns. How serious such attrition might be is clouded by secrecy and military uncertainty.

• A far graver threat will emerge as Soviet "look down-shoot down" radar and interceptor aircraft improve, and especially if the Soviets achieve the ability to attack the carrier aircraft far out at sea before the missiles have been launched.

• Cruise missiles are not suitable for use against a number of important nuclear targets in the Soviet Union, including some of the most "high value" targets

that are already heavily defended.

• The missiles are now underpowered and incapable of ideal flight performance, lowering their chances of survival and the ability to strike targets accurately.

Questions About Reliability

• For safety and economic reasons, the missiles must be kept in "dormant" storage for nearly three years without periodic test starting of engines or mechanical maintenance, which leaves some doubts as to reliability. The power plant of a cruise missile is a small jet engine, of the turbo-fan variety. Ordinarily, such engines would be started and run approximately every 30 days and would undergo detailed maintenance, even if they were not being flown regularly. However, regulations forbid starting the engines unless the nuclear warhead within the fuselage is first deactivated. To deactivate the warheads would be both cumbersome and very expensive, according to experts. For that reason, an engineering requirement for the ALCM was that it should be able to go 30 months without maintenance and to undergo repeated cycles of 90 day periods attached to a bomber, followed by 90 days in storage.

• Parts of the Soviet Union, including areas of European Russia, are difficult terrain for the complex guidance mechanism which is meant to keep cruise missiles from losing their way. The "terrain contour matching" guidance technology involves a computer carrying digitized radar "maps" and a radar altimeter that periodically compares the terrain below with the maps. Two or three years ago considerable concern arose about a problem called "seasonal variation." During the average period of 120 days a year that northern Russia is covered with snow and during warm weather periods when trees have heavy foliage, would the radar altimeter would take misleading readings? Pentagon officials said that more recent tests on manned aircraft have shown that seasonal variation is not a serious problem. A military analyst who asked to remain anonymous strongly disagreed, predicting that a series of tests in Alberta over similar terrain, to which Canada agreed formally last week, would prove heavy snow a problem.



Cruise missiles under B-52 at Griffiss Air Force Base.

Black Star / Bernard J. Kokojan
Air-launched cruise missiles mounted on an Air Force B-52 bomber in flight.

The Defense Department itself has also contributed to more critical scrutiny of the several cruise missile weapons programs. The Pentagon, which once planned to buy as many as 4,800 air-launched cruise missiles from Boeing, earlier this year curtailed purchases and wants to end the program in the next fiscal year with a total inventory of only 1,715.

Air Force officials have denied that the purchase of conventional Boeing cruise missiles is being terminated because of an increase in the threat posed by Soviet air defenses. Sources in Congress, however, said that they were informed that such concern about improving Soviet shoot-down ability was one reason.

A contract for a "stealth" or advanced cruise missile, meant to be less visible to hostile radars, went to General Dynamics. A Defense Department official said

Meanwhile, Back at the Bargaining Table . . .

THERE is little agreement on what can or should be done about cruise missiles in the Soviet-American arms talks now under way in Geneva. Moscow's aim has been to limit the numbers and range of cruise missiles in order to minimize the American lead in this technology. The Reagan Administration wants as few restrictions as possible.

Cruise missiles are difficult to locate, which at once renders them highly survivable — something good for arms control — and relatively unverifiable — something bad for arms control. Because they are hard to hit, Moscow would have to assume that even after a first strike, American cruise missiles would be poised to retaliate.

A virtue of cruise missiles to advocates is that they are not first strike weapons; they would take several hours to arrive at a target deep in Soviet territory. This is a point frequently made by American negotiators.

But Soviet negotiators — along with a number of American arms control experts — maintain that precisely because the cruise missile is small and highly mobile, it is difficult to count and reduce in an arms treaty.

In the strategic arms reductions talks dealing with intercontinental-range weapons, Moscow proposes that each side have no more than 120 long-range bombers carrying cruise missiles, and that each bomber carry no more than a certain number of cruise missiles. For the moment, the Reagan Administration is trying to tie dis-

that the main reason for shifting to an advanced, or "stealth," cruise missile program is a hope that such missiles will be able to fly higher than the present ALCM without being detected. This would increase the missile range and permit the cruise missiles to be launched farther from Soviet territory. However, last year General Dynamics, which already makes a whole family of ground and ship-launched missiles, was threatened with loss of those contracts for what an admiral described as unsatisfactory quality control of the product. The Pentagon reported to Congress this spring that General Dynamics had incurred a substantial jump in the program's costs.

A Synergistic Wonder?

Defenders of the missiles contend that solutions have been or will be found and that in any event, the problems don't add up to failure. They also argue that the missiles should be seen as "synergistic" components of a complex, integrated strategic nuclear force to deter Soviet threats.

When the original B-1 bomber program was cancelled by President Carter in 1977, many analysts felt that cruise missiles mounted on B-52's would be an adequate substitute for a new generation of manned bomber. But since then Strategic Air Command doctrine has become something called "shoot and penetrate." Bombers would launch cruise missiles and then follow them in to attack targets with short range rocket missiles and gravity bombs. Because bombers have more space and carrying capacity for electronic counter-measures, they may be superior in penetration despite their greater size. "The cruise missile is not a substitute for the B-1," said Anthony Battista, a senior staff aide of the House Armed Services Committee, "but a valuable adjunct to it, especially for secondary targets. It can't hit all targets, but taken as a mix the bomber and the missile do a pretty good job."

Cruise missile boosters also argue that, even if defenses against individual missiles are emerging, such defenses can still be saturated by salvos of hundreds or thousands of missiles. According to still another argument, a reliable defense would cost the Soviet Union \$50 to \$100 billion and divert attention and resources from other military efforts. "We'd rather see them spend billions on defense than on a new offensive system aimed at us," said Air Force Col. Anthony Orlando, a cruise program official.

Cussions of this subject to Soviet promises to reduce their large land-based missiles. Even if ultimately agreed upon, it will be difficult to assure that only 120 aircraft will be capable of carrying these missiles, and more arduous still to count the number of cruise missiles on each bomber.

In the related talks on medium-range missiles, Moscow proposes that neither side be allowed to deploy ground- or sea-launched cruise missiles with ranges beyond 360 miles. The American side protests the problems of checking whether any given missile has the fuel and capacity to exceed that range, and it will not agree to range limits.

But more basically, Washington demands that it be permitted to deploy a certain number of ground-launched cruise missiles — along with Pershing 2 ballistic missiles — equal to the number of Soviet SS-20 ballistic missile warheads. As for ship-launched and submarine-launched cruise missiles, Washington opposes any restrictions.

The cruise missile is yet another of those strategic weapons that one side is plowing ahead with because it has the technological lead, and the other side is resisting because it is behind. Many fear this could turn out to be like the situation in the early 1970's, when the United States had the lead in missiles with multiple warheads, but the Soviets caught up and the new technology came back to haunt America.

— LESLIE H. GELB

As Democrats Met Last Week, Jackson Got More Attention in the Wings Than Some Got on Stage

Candidates Begin Sprint for Campaign Funds

By HOWELL RAINES

DETROIT — The Democratic National Committee held its issues forum for presidential candidates in a downtown hotel here last week. But another event that revealed a great deal about the Democrats' contest took place a few miles away, at the Little Rock Missionary Baptist Church. There, on Thursday night, the choir of the black church sang "Sign Me Up," a spiritual with voter-registration overtones, and the minister greeted the Rev. Jesse L. Jackson with a shout of "Run, Jesse, run."

Mr. Jackson had a grand time encouraging the guessing game over whether he will turn his voter-registration crusade into a full-fledged convention candidacy. The black minister from Chicago reminded the committee that he is already running third in many public opinion polls behind former Vice President Walter F. Mondale and Senator John Glenn of Ohio. That means, he said, that even without a formal announcement, he has "greater market appeal" than Senators Alan Cranston of California, Ernest F. Hollings of South Carolina and Gary Hart of Colorado and former Governor Ross Perot of Florida.

On the surface, the Democrats were cheerful about letting Rev. Jackson use their four-day meeting as a stage

to generate suspense. Behind the scenes, there was plenty of speculation about how badly his candidacy might hurt Mr. Mondale, who is counting on heavy minority support. In the Mondale camp, there has been plenty of activity. Recently his staff, and twice Mr. Mondale himself, have been meeting with Mr. Jackson, explaining party rules and talking through his reasons for wanting to run — but not, it was hastily added, trying to discourage him.

The six announced candidates have other worries too. They know, for example, they face the chore of slogging through the dog days of summer despite the indifference of the vacationing public, trying to raise as much money as possible before the New Jersey straw poll September 12-13 ushers in an unremitting grind that will extend into the 1984 primaries. Mr. Mondale has been particularly busy and successful at fundraising, piling up a \$2 million stockpile. Many Democratic strategists believe that cash on hand, particularly if saved for advertising, could be a big factor in the winnowing process in March, when a number of important primaries come close together.

For Mr. Mondale and Mr. Glenn, other kinds of testing are going on as well. Mr. Mondale seems to be emerging from a bad period in which Mr. Glenn pulled even with him in the polls and Mr. Cranston beat him in the Wisconsin straw poll. That fed the feeling he had shaky support

among party activists and the public was looking for a fresher face. In responding to these developments, he exhibited a peevish streak that added to his difficulties.

But Mr. Mondale seems to have regained his humor and some momentum among party activists, and it seems to be Mr. Glenn's turn to take the pressure. He had an easy ride through the spring, gaining in the polls while avoiding the campaign fray. But now his skills as a major candidate are getting closer scrutiny. Mondale advisers have long contended privately that Mr. Glenn will not be able "to breathe at high altitude," as they put it.

Moving in on a Two-Way Race

In fact, he got bad reviews from Democratic House members after a closed-door political meeting in Washington last week. In Detroit, a question on what he would do in his first hundred days seemed to catch him unprepared. In general, however, his speaking style has improved, and his advisers believe that grassroots voters are less concerned than the capital's political community over fine-tuned answers on policy.

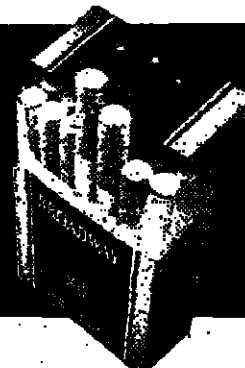
The other four announced candidates now find themselves struggling against a general consensus that the party has a two-way race. Mr. Askew, looking for a surprise showing in Iowa's caucuses, has been quietly work-

ing among Catholic voters who share his misgivings about abortion. Mr. Hart skipped the issues forum in Detroit to filibuster against the MX missile, part of a bold-stroke plan with which his advisers hope to invigorate a campaign that has not drawn the support they expected. Mr. Cranston and his staff, after making gains on the nuclear freeze, seem to be taking a breather. And Mr. Hollings, stung last week when the National Association of Colored People rebuked him for what they regarded as a suspect commitment to civil rights, is still searching for a way to become more than an asterisk in the polls.

All these candidates were allotted one hour in Detroit. Party leaders were in a quandary as to what to do about Mr. Jackson. Since he was trailed everywhere by television crews and is demonstrably popular with black voters, who make up 20 percent of the Democratic electorate, he could hardly be ignored. So it was decreed that Mr. Jackson would be allotted 10 minutes on Friday, provided he limited himself to voter registration.

But his presence alone was sufficient to underscore questions he raises. Would a black candidacy benefit the Democratic party by encouraging minority registration or polarize it? Would the taking of black support from Mr. Mondale open the way for Mr. Glenn? The Mondale people's hope that Mr. Jackson will eventually bow out and throw his support to them was never so clear at the Little Rock Missionary Baptist Church. When Mr. Jackson arrived, he had two smiling escorts: John K. Kelly, the senior adviser in the Mondale campaign, and Thomas Donlan, a Mondale political consultant.

BROADWAY 80



I'm glad I changed.

WARNING — The Ministry of Health has determined that smoking is harmful to health

The World

A Consensus on Central America Won't Be Easy

The Reagan White House and some critics of the President's Central American policy may have found a neutral ground. Administration officials said the President would announce tomorrow that he plans to appoint a blue ribbon advisory commission similar to the commissions that smoothed the way toward consensus on Social Security and nuclear missile policy. The new group would study proposals for large-scale regional economic aid modeled on the Marshall Plan for Western Europe after World War II.

Proposed last month by Senators Henry M. Jackson, Democrat of Washington, and Charles McC. Mathias Jr., Republican of Maryland, the commission has won widely based bipartisan support in Congress. Senator Mathias has also asked Spanish Prime Minister Felipe González to marshal support in the European Parliament for the Contadora regional peace initiative sponsored by Colombia, Mexico, Panama and Venezuela. Presidents of the four countries were meeting this weekend in Cancún, Mexico.

For the moment though, the current policy prevailed. William J. Casey, the Director of Central Intelligence, and other senior officials unsuccessfully sought a compromise to reverse House committee votes cutting off \$80 million for covert action in Nicaragua. The House will debate the issue in closed session Tuesday and in public the following week.

An Administration task force has proposed increasing military aid for Central America by 40 percent next year; officials said the C.I.A. planned to give more financial aid to anti-Sandinistas along the Honduran border while in Costa Rica, associates of Edén Pastora Gómez, a former Sandinista commander, said he had received new financing from Latin American friends and would resume fighting in southern Nicaragua.

In Salvador, where Government forces have claimed the offensive recently, the departing United States Ambassador, Deane R. Hinton, reiterated his distress with apologists for rightist and leftist violence. Expressing his frustration at the continued activity of rightist death squads and lack of progress in punishing the murderers of American nuns and labor advisers, he said, "Killing people outside the legal process is unacceptable for a civilized people."

Arafat Gets A Busy Signal

If Yasir Arafat thought his Soviet friends would help him regain control of the divided Palestine Liberation Organization, he now has another think coming. Mr. Arafat had hoped to visit Moscow but last week even his name was absent from a statement issued after Foreign Minister



French Legionnaire runs for cover during Beirut fighting last week.

Andrei A. Gromyko met with Farouk Kaddoumi, the Palestinians' foreign affairs specialist. The communiqué simply urged the P.L.O. to "strengthen cooperation" with "progressive" Arabs, presumably Syria. Heavily committed to Damascus, which backs the insurgents in the P.L.O., the Russians may fear intervention would weaken their already slender influence in the Middle East.

In and around Beirut, meanwhile, the Lebanese Army floundered into firefights with angry Moslems. This raised questions about the army's ability to replace Israeli occupation forces, which may shortly be pulled back to southern Lebanon. Two Lebanese soldiers and four civilians were killed in the capital's worst fighting since the Israelis left the city in September. Army units were trying to enforce an eviction order against Shiite Moslem squatters who had set up a mosque in a building once owned

by the city's Jewish community. The Shiite militia, supposedly disarmed by the Israelis, fought back with bazookas, machine guns and rocket-propelled grenades. The Beirut battle followed an attack on other army units attempting to move into the Shuf mountain area controlled by Druse villagers southeast of the capital. Fourteen army men were wounded before Israeli troops could get the sides separated.

Once a Month, Protest in Chile

Gen. Augusto Pinochet has never hidden his view that democracy is a dangerous notion, especially in Chile. Last week, he used troops and riot police to quell a day-long national protest — the third in as many months — against his decade of authoritarian rule. Some street demonstrators ignored an evening curfew, and many more citizens cautiously leaned out of doors and windows to beat out a distress signal on pots and pans. A similar rhythm accompanied the strikes that led to the 1973 ouster of the democratically elected Marxist President, Salvador Allende.

Two young women were shot and killed. More than 500 people, stranded when city transport systems ground to a halt, were detained. About 100 demonstrators were accused of violating security laws.

Pope John Paul II joined Chilean bishops in appealing for dialogue in the "grave" situation. The State Department also urged dialogue on "national issues such as the transition to democracy." But to be effective, any discussion probably would have to include members of the armed forces, General Pinochet's power base.

The Misery Index Climbs in Brazil

Brazil ran out of miracles last week. President João Baptista Figueiredo, admitting "the economy is very sick," sliced 20 percent off semi-annual mandated pay raises that had kept 17 million workers within hailing distance of the country's triple-digit inflation. Semi-annual "indexing" raises will now be cut back to 80 percent of inflation, currently at 127 percent. The President acted under heavy pressure from the International Monetary Fund and other major creditors who turned off the loan spigot when earlier austerity measures failed.

Indexing had helped sustain the "Brazilian miracle" — six years of 10 percent annual economic growth that produced the world's 10th largest economy. It worked as long as inflation stayed in the 25-30 percent range. The 1974 OPEC oil shock punctured the bubble and Brazil, unwilling to slow down, took on foreign debts now totaling \$90 billion, the highest in the developing world.

The Fund, in return for austerity promises, bailed Brazil out in February with a three-year \$4.9 billion stand-by loan. But in May, when inflation and the national deficit continued rising, the I.M.F. stopped payment. Other bankers also stopped lending. Last week, the Bank for International Settlements in Switzerland insisted on repayment of \$400 million, but relaxed the pressure when Brazil satisfied the I.M.F.

Even before the retreat from indexing, more than 100 labor unions had called a general strike for Thursday. The leader of the largest opposition party denounced the move as "a criminal assault on the Brazilian people." Adding to the bad news last week, widespread flooding caused more than 100 deaths and more than \$1.5 billion in damage. But President Figueiredo, who has been in ill health, was unable to stay and cope; he flew to the United States for open-heart surgery at the Cleveland Clinic.

Armenians Claim More Victims

Turkish diplomats have been killed so frequently in recent years by terrorist Armenian nationalists that last week's assassination in Brussels attracted little attention. But the next day's atrocity, an explosion in the midst of a vacation crowd at Orly Airport in Paris was another story. Six people — including one American citizen — were killed and more than 50 injured when a bomb went off in a suitcase at the Turkish Airlines check-in counter. The Armenian Secret Army took responsibility for the attack, claiming to be avenging the killing of several hundred thousand Armenians by Turks after World War I.

France's Socialist Government, which Turkey, among others, has accused of laxity in controlling terrorists, showed its concern. President François Mitterrand and Prime Minister Pierre Mauroy condemned the violence and visited the injured in hospitals. In Ankara, officials threatened to make Armenian extremists "pay heavily" for the attacks.

Milt Freudenberg,
Henry Gleiger and
Carlyle C. Douglas

Sandinistas Celebrate Their Fourth Year in Power This Week



Nicaraguan women and children learning to read and write on a farm.

Inside and Out, Pressures On Nicaragua Are Rising

By MARLISE SIMONS

MANAGUA, Nicaragua — On Tuesday, Nicaragua will commemorate the hot July morning four years ago when thousands of disheveled, exhausted and ecstatic Sandinista guerrillas fired wildly into the air as they drove into the capital. Many of them now wear military or police uniforms or are farmers, bureaucrats and Government ministers. By most indications, the Government enjoys wide support. But some prominent former Sandinista supporters and Government members are no longer in Nicaragua, having fled in fear or anger at the "betrayal" of the revolution. Other Nicaraguans have joined the insurgents based in Honduras and financed by the United States — "freedom fighters," President Reagan has called them, whose aim is to overthrow the Nicaraguan Government.

Opinions about the Sandinista social revolution are as diverse as the many actors that launched the 1979 insurrection against 42 years of corrupt Somoza family rule. On both right and left, many people are asking whether Washington and Managua have shaped events to fit stereotyped mirror images, thus creating a self-fulfilling prophecy. Would Nicaraguan society be more — or less — open if Washington were not pressuring it?

The guerrillas came to power with overwhelming popular backing, but disaffected members of the elite and the Roman Catholic hierarchy contend that people fought for a change of team and for democratic rule, that there was no mandate to completely overhaul society. But the Sandinistas say they won support because they stood for a different system they called a "government for the poor." There is also debate over yardsticks. Some Sandinistas say they should not be compared with long-established revolutions in Cuba or Mexico, but with Uganda or Iran, where authoritarian regimes were toppled more recently.

Beneath the rhetoric, the Sandinistas say, their move to the left has been gradual. One year after the revolution, analysts said, Nicaragua was more radical than Cuba at the same point. But on its fourth anniversary, Fidel Castro's Cuba was more radical than Nicaragua now is. A clearer, public definition of the political route has come only in recent months. Nicaragua quickly joined Soviet-linked international organizations. But recently top officials have said Nicaragua wants a socialism that uses Marxist doctrine as a "guide" but not a "miraculous formula." A union leader said, "We are aiming for socialism, even if there are some differences over strategy."

Those at the top are not inclined to discuss internal differences, but foreign and Nicaraguan "Sandinologists" report that the speed for reaching socialism and its basic shape are still debated. One group, reportedly including Interior Minister Tomás Borge, Defense Minister Humberto Ortega, Planning Minister Henry Ruiz and Political Coordinator Bayardo Arce, apparently believes power must flow from the party in orthodox, Marxist-Leninist fashion. Contending that Chile's Socialist President, Salvador Allende, was overthrown in 1973 because he was "too soft, too democratic," they say Washington is daily proving the correctness of their push for strict controls.

Other leaders, including Junta coordinator Daniel Ortega, Land Reform Minister Jaime Wheelock and Vice Minister of Interior Luis Carrion, are said to favor keeping the system flexible, sharing economic power with the private sector and risking open elections. The people rather than planners and bureaucrats, they believe, should have the stronger voice in decision making. But as the threat from the insurgents' war has grown, it has become questionable whether this group can hold out against the hard-liners.

Advances in the Countryside

When Nicaraguans began to join the Sandinista bandwagon in 1978, most people evidently knew what they were fighting against. But after generations of authoritarianism, perhaps only a minority had clear ideas of what they were fighting for. Today, at least some of the promises to the poor appear to be coming true. The Government says illiteracy has been reduced from 50 to 12 percent and one in three Nicaraguans is in school or adult classes. It cites health programs that have lowered infant mortality from 120 per 1,000 in 1978 to 90 in 1982 and reduced most diseases.

Sentiment toward the Government varies widely by social class and topic. In the countryside, where health care and schools had been rare and more than 60,000 people have benefited from land reform, support is thought to be widespread. But the urban lower middle class has suffered from inflation, low production and war shortages. A recent United Nations-sponsored study showed more than half of Managua's residents spent 78 percent of income on food last year, compared to 44.5 percent in 1973.

At the same time, the former "silent majority" has gained a voice in neighborhood committees and town councils. "Poor people are talking back to Government workers and even to the army and the police," said a longtime American resident. "Let me tell you, no one talked back to the

Guardians in the old days." But the neighborhood committees, which distribute food-rationing cards, are also a means of social control.

Demands for more political freedom and an end to press censorship come largely from the small, educated elite — lawyers, doctors and businessmen who tilted the balance during the insurrection and now feel betrayed. With the economy still 60 percent in private hands, the promise of a "mixed economy" is intact. But businessmen complain of a hostile system in which Government makes and breaks decisions arbitrarily. A number have left and others talk of following suit. Can a government that dictates class struggle from the top — through education and mass organizations — allow genuine tolerance for dissidents? One critic asked. Friends and foes of the Sandinistas agree that as the war goes on, the line has blurred between legitimate opposition and "counter-revolutionary activity."

Contrasts With Cuba

But the Sandinista "model" still seems neither a Marxist-Leninist state nor, surely, Western-style social democracy. Nicaragua is often compared to Cuba, but Western diplomats familiar with both say the differences are considerable. They note the Sandinistas have kept a nine-man National Directorate rather than concentrating power in one person. Capitalism survives. Decisions in both countries are handed down through mass organizations directed from above. But foreign development workers say that in the countryside, Nicaraguans are often able to influence or change these decisions. And unlike Cuba, a number of sympathetic Roman Catholic priests, many not in public positions, have retained influence on the Government.

As United States aid has been cut off, Western European aid has increased somewhat. Almost half of Nicaragua's economic assistance comes from Western Europe and Latin America and about 20 percent from Communist countries. Knowledgeable residents believe that while economic hardship may further erode support, the United States-sponsored war also serves to rally the people to the Government. The new military, security and mass organizations will be pressed to show if they are strong enough to fill the vacuum left by the broken alliance of big businessmen, middle class, church hierarchy, workers and peasants that brought the Sandinistas to power.

And amid reports of Central Intelligence Agency plans to double the size of anti-Sandinista forces to more than 12,000, Nicaraguan leaders appear unanimous in fearing direct military intervention by the Reagan Administration. They have said they can prevent this only with help from Congress and United States public opinion. The decision makers are now debating, according to a key participant, how to make gestures that would make it easier for Americans to support them — without seeming to buckle under and perhaps provoke an even harder line from Washington.

Major Corruption Case Is Another Presidential Test

Mexican Austerity Is Starting to Chafe

By RICHARD J. MEISLIN

MEXICO CITY — If frustration could be exported, Mexico would be a rich country. Business is frustrated by a slumping economy that has drastically reduced demand, by the weak peso and by Government restrictions that have made importing raw materials increasingly tough and expensive. Labor is frustrated by pay raises that have lagged far behind inflation, which has already boosted prices 40 percent this year. And just about everyone is frustrated — albeit with the equanimity born of long experience — by the country's endemic corruption.

Perhaps it is a tribute to President Miguel de la Madrid Hurtado that the aggravation has not turned to serious anger. But perhaps too, critics say, he is part of the cause. After seven months, questions about whether he would emerge from the shadow of his predecessor, José López Portillo, have disappeared. Instead there has been a revival of earlier qualms that his austere remedies for Mexico's ills may be too harsh.

One troubling sign for the Government came last week, when official results showed the President's Institutional Revolutionary Party losing 12 of 105 recent municipal elections. The losses were startling because the party has held the national leadership for 54 years; it is accustomed to tolerating vocal opposition but not to allowing opponents to gain power. The results were viewed as signs of protest rather than an ideological shift. "It is a symptom — like a sore throat," said a

Mexican businessman. "But a sore throat can show that there is an infection all over the body."

The President was able to point to one solid sign of success — an inflation rate for June of only 3.8 percent, down from more than 10 percent in January and the 98.8 percent registered for 1982. "Seven months after the initiation of this new Government," Mr. de la Madrid said, "we can affirm that we have controlled the most grave and acute effects of the economic crisis," and without massive unemployment and business shutdowns. However, prices soon are expected to begin reflecting 15.6 percent wage increases granted last month and the Government has just announced 25 to 100 percent increases in the controlled prices of basics such as bread, tortillas, canned foods, instant coffee, pasta, salt and crackers.

High Marks Abroad

Still, Mr. de la Madrid seems determined to press on with his programs despite their unpopularity in some quarters. The Government has created a flap by signaling moves to relax restrictions on foreign investors. Without changing Mexico's tough regulations, it is allowing them to retain greater control of their operations, hoping to find much-needed new money for expansion. Thus far, however, nationalist stirrings from those fearing a takeover of the economy by outsiders, particularly from the United States, have been more substantial than the response from would-be investors.

Although some of his actions have been contro-

versial at home, Mr. de la Madrid is getting high marks from bankers abroad. They see his determination as a sign Mexico is serious about putting its financial house in order. The country has been unable to repay most of its obligations on outstanding loans of \$80 billion since August.

On another front, the Government is making popular points by pursuing "moral renovation," Mr. de la Madrid's euphemism for curtailing corruption — a longstanding practice that is widely perceived as having gotten out of hand. There was little doubt about his seriousness on the issue, but how he would make it happen was another matter. An encouraging answer came when the Attorney General announced charges against Jorge Díaz Serrano, the former director of the national oil monopoly and one of the highest-ranking officials of the López Portillo administration. Congress is now considering whether to strip Mr. Díaz Serrano, a senator, of his immunity so he can be prosecuted for his connection with a \$34 million fraud involving the purchase of two tankers from abroad. Rarely, if ever, has so prominent or powerful a figure been liable to such retribution.

Mexicans still must put up with everyday corruption; some police, for example, still walk the streets with license plates in hand, to hide "mordidas" or bribes as they are passed from unfortunate drivers. Some business transactions still cannot be completed without a payoff. But the public sees the Díaz Serrano case as decisive. As a middle-class Mexican said, "If Díaz Serrano does not end up in jail, that will be the end of confidence of Mexicans forever, for everything."

Brazil's Economy — After the Miracle

The Economy

It's been years since the boom. Now a huge debt, soaring inflation and civil unrest trouble the nation.

By WARREN HOGE

WHEN the Brazilian military grabbed power in 1964, the country was in economic shambles. Inflation was running at 94 percent. Union groups staged mass marches. Many of its citizens lived in abject poverty.

But the new leaders had a plan to make Brazil an industrial power. They curtailed military spending, built up export industries, borrowed heavily — and, at the same time, dramatically reduced inflation. The country grew fast and furiously — in an economic turnaround that was widely hailed as “the Brazilian miracle.”

The present day returns of that “miracle,” however, seem more like a nightmare. Brazil is in the midst of a profound recession, with more than one out of five people unemployed. The inflation rate is a staggering 127 percent. The country, the world's biggest debtor with \$90 billion in outstanding loans, is on the brink of default. And as the world's bankers try to impose more austerity on the giant nation, the streets in Rio and São Paulo are already filled with striking and angry workers protesting reduced paychecks.

Brazil's political leaders mainly blame the world recession for their distress, an event beyond their control. But despite such disclaimers, their reputations have gone from being wonder workers to malingers, and the nation's standing with overseas bankers has fallen from that of preferred client to that of pariah.

For many of Brazil's businessmen and financiers, moreover, the problem is closer to home. But they don't point an accusing finger at the country's ailing head of state, General João Baptista Figueiredo, who may soon undergo heart surgery in the United States. Instead many in Brazil blame the country's most famous economist, Planning Minister Antônio Delfim Netto, for the current chaos. The same businessmen who did handstands over Mr. Delfim's return to office in 1979 are now calling for his head — and some think they may get it.

ECONOMIC GUNSLINGER

RIO DE JANEIRO

There was a time when cartoonists dressed his portly shape in Superman costumes and the boots and cape of a Western lawman came to town to restore order. Today, however, members of Congress cry out “Ilar” when he appears before the chamber to defend the Government's economic plan.

Antônio Delfim Netto has been Brazil's all-powerful Planning Minister for a total of 10 years, and his fortunes have followed those of the stricken economy he has administered. The one-time “miracle” worker is now personally held responsible by Brazilians for the hard times they are encountering.

His characteristic response to critics has been to express complete conviction in his own course of action, but that bluff attitude has gotten him into trouble in the last few years as successive changes in policies have each fallen far short of the goals he has set for them.

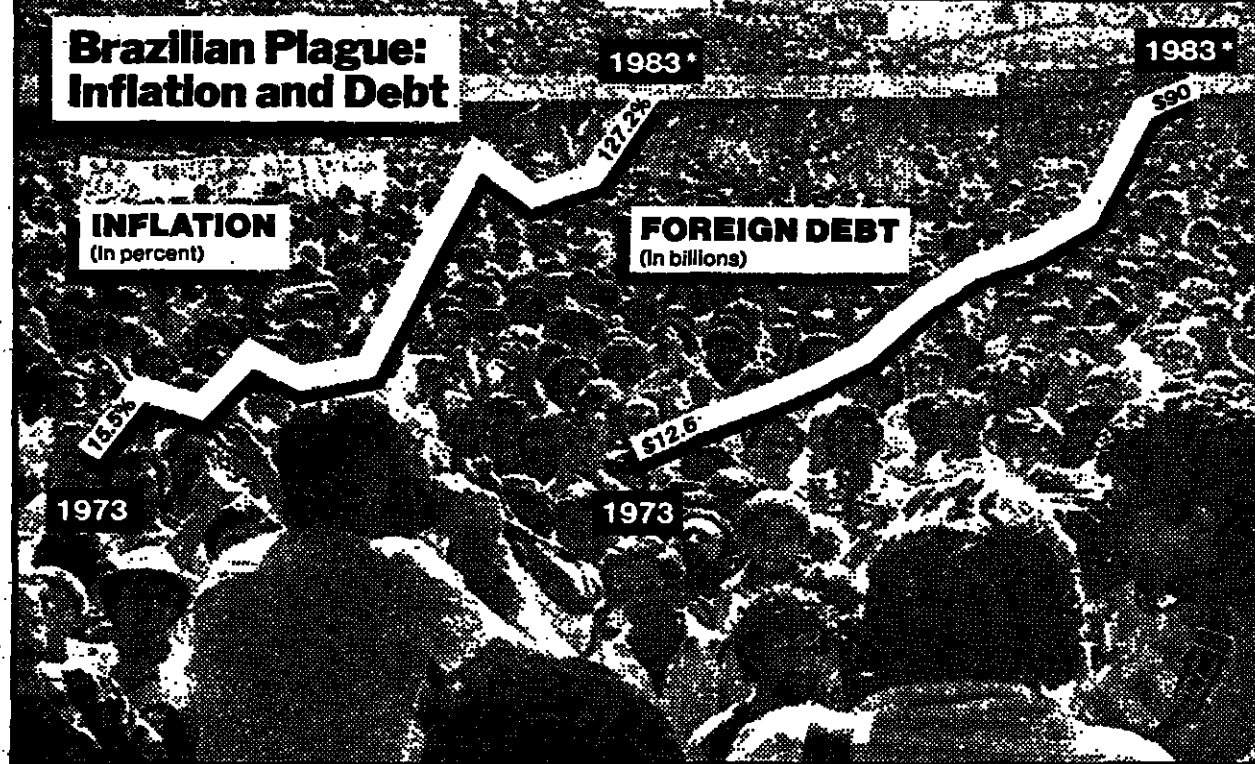
The 55-year-old former professor of economics is brilliant and confident in a mix that can come across as arrogant. Part of the legislators' frustration with him is that they cannot beat him in debate.

After administering the so-called “miracle” years of the Brazilian economy from 1968 through 1973, he was rewarded with the ambassadorship to France. His three years in Paris were sandwiched between two unsuccessful attempts to persuade the ruling military to name him governor of São Paulo.

He is today the most controversial man in Brazil's public life, a Henry Kissinger figure with some of the former Secretary of State's fascination plus his cosmopolitan side of life and taste for adventure.

He disappeared from Brasília last weekend taking care to leave his car and chauffeur parked at the Presidential palace as a decoy and instructing aides to keep his whereabouts secret. The Brazilian press searched for him and finally turned him up Sunday night walking out of Annabel's in London. Monday he was back in Brazil and as of last Friday hadn't made public what mission it was that took him to Europe.

Almost everyone seems to have complaints about him. These days, but he still enjoys the confidence of the only man capable of acting on them — President João Baptista Figueiredo. Mr. Delfim also gains some job security from the fact that there are not many candidates eager to take on the job of running Brazil's economy that has little prospect of getting better anytime soon.



Through June. Labor leader Jair Meneguelli addresses striking metalworkers in São Bernardo do Campo.

“The country is at a standstill, terrified and without hope,” Paulo Cunha, the retiring president of the Brazilian Chemical Industries Association, told a recent gathering of business and political leaders in São Paulo. Even Carlos Geraldo Langoni, president of Brazil's central bank, called the course he helped shape “socially perverse and economically inefficient.”

Such comments are new to Brazil where faith in the future and conviction in the country's destiny were part of the national character. It was a country with boundless aspirations, matched only by its size. It had a sense of its destiny as an industrial giant, reaching out to compete with the United States and Europe.

But last Friday that proud nation barely squeaked past a default on a \$400 million payment to the Bank for International Settlements, as B.I.S. officials agreed to extend the loan for another 45 days. That followed by a day Brazil's agreement to I.M.F. demands that it end the indexation of its economy. It should free up \$411 million in funds from the I.M.F. that Brazil would use to pay the B.I.S. debt.

Brazil's economic humbling seemed to come swiftly. In the wake of last year's debt crisis in both Mexico and Argentina, many bankers severely reduced lending to all Latin American countries. So when debt payments came due, Brazil's only option was to turn to the International Monetary Fund and other world lending agencies for new loans to pay off the old loans.

Central to the current Brazilian drama is Mr. Delfim, who first took over the helm of the economy in 1967 after he successfully served as Secretary of the Treasury in the city of São Paulo. In one year in that office, he drastically reduced the city's \$1 billion debt. A former professor at the University of São Paulo, Mr. Delfim and the young followers he brought into the Government adopted a tough-minded, analytical approach to their work that earned them comparisons with the former United States Secretary of Defense, Robert S. McNamara and his Pentagon “whiz kids.”

Under Mr. Delfim, the Brazilian “miracle” plan became a happy reality: six years of real growth averaging 10 percent a year. But those were also the years of the harshest repression of the current Brazilian cycle of military rule. And Mr. Delfim was free to act without the press and public scrutiny, and without the threat of labor agitation that exists today.

With public expression censored and political objections stripped of their rights or exiled, no one was able to question openly the huge foreign borrowing that fueled the full-throttle expansion. Many things went unreported: Purchasing power of the lower classes declined during this period of perceived riches; government corruption grew unchecked and much less of the borrowed funds went into infrastructure development than Mr. Delfim claimed.

By 1973, Brazil's foreign debt had reached \$12.5 billion, three times what it was when Mr. Delfim came to office. But the figure, high for that time, was hardly noticed because in that same year Brazil broke all its annual growth records, rising 14 percent.

Meanwhile, the financial community also ignored the 1973 fourfold rise in world oil prices — and Brazil was importing 80 percent of its petroleum. Blind to the consequences, Brazil permitted oil consumption to rise more than 40 percent between 1973 and 1979. International banks, searching for a place to lend their sudden windfall of petrodollars, looked with favor upon the Latin nation that seemed to take development seriously

with a military-run government that seemed to be stable.

Ernesto Geisel, the fourth consecutive general to rule Brazil, took over as president in 1974, and began a series of giant industrial projects that the world's bankers were only too eager to finance. These included the subway in Rio, two enormous steel projects, an eight-plant, \$30 billion, nuclear agreement with West Germany, and the largest hydroelectric power plant on the country's southern border that cost \$18 billion.

The original conservative notions the military had about a small government presence in industry yielded to a desire to centralize economic power, and in the 1970's, a host of state companies was created with catchy acronyms, usually ending in “brás,” short for Brasil, the Portuguese spelling of the nation's name: Petrobrás, today Brazil's largest company, Eletrobrás, Portobrás, Sidebrás, Nuclebrás, and some 350 others. These state companies representing 70 percent of the Government's investment spending in 1982, employ about 1.4 million people, account for almost one-half of the country's output of goods and services — and for some of its major problems.

The upper echelons of the state-run enterprises were filled with retired military officers, and the frills they offered ranking employees were generous and imaginative. Employees received bonuses simply for faithfully showing up at work, and officials shared in annual profits even of state corporations that were not profitable.

These inefficient franchises became the main overseas borrowers and prime generators of public deficits, a major concern of the I.M.F. negotiating team now in Brasília, the nation's capital, which has lobbied for big cutbacks in these state-owned companies.

Two-thirds of Brazil's debt was contracted at floating interest rates, and premiums as high as 2.25 percentage points above the London interbank rate were paid in order to secure debt maturities of as long as eight years. The rise in interest rates that began three years ago pushed the country's annual debt service bill above \$10 billion by 1982. Each percentage point rise cost Brazil \$450 million a year.

By the time General Figueiredo took office in March 1979, it was clear that the country had over-invested. Nevertheless, one final, huge project — a mineral extraction operation — was given the go-ahead at an estimated price tag of \$61 billion.

Mr. Delfim, who had left the Government in 1974, reappeared in the Figueiredo Administration in early 1979 as Agriculture Minister. But by the following September he had regained his old post as Planning Minister.

Mr. Delfim scuttled the country's curbs on expansion and told industry to fire up its furnaces. But his program produced unmanageable inflation, and he soon counseled a slowdown. The Government, however, did not brake its investments in the state companies, which grew by 7.2 percent in 1981 and 6 percent last year.

But the country was squeezed between high interest rates and weak demand from foreign markets. It still managed, however, to secure the loans it needed to close its balance of payments each year. Then, last year, came the almost simultaneous Mexican and Argentine crises. The regional banks that were the basis of Brazil's syndicated loans closed their books on all Latin nations. By September, Brazil was in a cash flow crisis and soon had spent all its reserves.

Brazil effectively halted all debt payment in

December, and now is in arrears by \$1 billion. Its present goal is to renegotiate its debt without having to declare a formal moratorium, the equivalent of a default. Clearly, the Western banks that have lent so heavily to Brazil have a stake in this outcome, too.

Brazil's current woes represent a dramatic role reversal for Brazil with Mexico, the traditional Latin American problem child for international bankers. For years, Brazil was seen as the model of Western development, a country that honored its word and paid its bills. It was also viewed with favor politically because of its plan to hold free elections in 1985.

When the Mexican debt crisis arose last August, Brazil and its big lenders urged the banking community not to confuse the country's meritorious handling of its economy with Mexico's spendthrift ways. Both countries had almost \$90 billion in debt, but Mexico had contracted a huge \$24 billion in short-term debt, compared with only \$8 billion for Brazil.

But today, Mexico is complying with the terms of an I.M.F.-approved austerity program, while the Brazilians have failed to adhere to a program set forth by the fund. And for more than a month, the I.M.F. has withheld the second \$411 million installment of a three-year, \$4.9 billion standby loan agreement signed in February that would have been used to pay off the B.I.S. debt.

“In the old days, it was always the Mexicans and the Argentines and the other South American countries that were seen to be reckless,” said a foreign economist in Rio. “Now it's the Brazilians who are perceived as dithering.”

The one bright spot in its current performance is a six-month trade surplus of \$2.95 billion, a figure in keeping with its pledge to the I.M.F. to produce a \$6 billion surplus by year end. The figure, however, is largely due to a 28.3 percent drop in imports and a 30 percent devaluation of its cruzeiro in February that has further fueled inflation.

BANKS GET A RESPITE

For the last six weeks, commercial banks, which hold more than \$55 billion of Brazil's debt, have been in the eye of a hurricane. The period stands in stark contrast to a frenzied time last winter when 80-hour workweeks were required to assemble a four-part, multibillion-dollar rescue plan.

“We are at a wait-and-see stage,” one New York banker said. “Nothing is going to be done by way of a medium-term credit until the Fund and Brazil get together.”

The banks, whose loan disbursements are contingent on I.M.F. approval of Brazil's economic performance, have been waiting since the end of May for the Fund and Brazil to agree on new economic performance criteria. But with an agreement scheduled for Monday, the waiting is almost over.

In some respects, the respite has been beneficial for the banks, which had trouble fulfilling one part of their four-part program. In others, it has not. “This has not been a good period for the banks,” one banker said. “The Fund and the banks have withheld loan payments, and arrears have mounted. That is not good practice; it makes a country live hand to mouth.”

From a bureaucratic perspective, the delay has been beneficial. The Fund's decision to suspend loan payments until after it had examined Brazil's economic performance coincided with a recognition on the part of the banks that they, too, needed a different approach.

What had once been a four-part program with four different banks heading up each effort has been consolidated under the direction of Citibank and its Latin American specialist, senior vice president William R. Rhodes.

The banks, which had structured their original program based on I.M.F. and Brazilian figures, are now playing a more active role in determining just how much more money the Brazilians will need. “Back in December, when the Brazilian crisis broke, we were preoccupied with a lot of other things, primarily Mexico,” another banker said.

No one knows how much new money will be needed, but the estimates are large. William R. Cline, a senior fellow at the Institute for International Economics in Washington, says Brazil will need an additional \$3.5 billion this year and \$4 billion in 1984.

Kenneth N. Gilpin

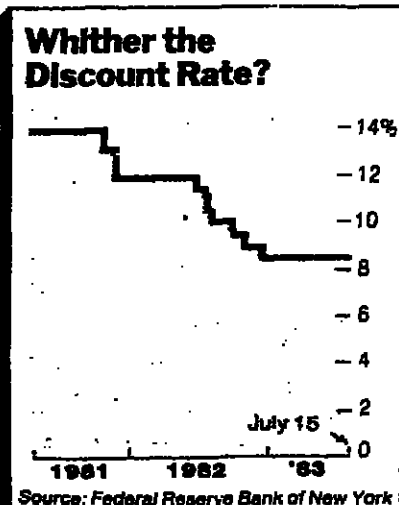
WEEK IN BUSINESS

Volcker Confirms Tighter Fed Policy

Paul A. Volcker had a surprise and some not-so-helpful news on monetary policy at his Senate confirmation hearings. The surprise was that he might leave his post as chairman of the Fed after the 1984 elections. As to monetary policy, he said the Fed had already been trying to slow money growth for a number of weeks, a move that had pushed interest rates up about a percentage point since May. For many Wall Street economists, this came as no surprise. Sam Nakagawa noted in his recent newsletter that the economy's monetary base — currency plus bank reserves — has shown no growth over the last month, a sign that the Fed had been tightening for a while. Mr. Volcker had little to say about decisions made at the two-day meeting of the Federal Open Market Committee. “I don't think you'll find these decisions terribly dramatic,” he remarked.

Nevertheless, discount rate concerns persisted at the Reagan White House as spokesman Larry Speakes, for the second time in as many weeks urged the Fed not to raise the level from its current 8.5 percent. Mr. Volcker was mum, saying it was inappropriate for him to comment on discount matters at his confirmation hearing.

The equity and credit market were also nervous about interest rates. The



Source: Federal Reserve Bank of New York

Dow Jones industrial average plunged almost 15 points to end the week at 1,192.31. Long-term interest rates, which had risen steadily through the week, actually fell on Friday after the Federal Reserve announced that the money supply rose \$3.3 billion. The bulge was expected because of early Social Security payments sent out in advance of the long July 4 weekend.

Lee Iacocca was smiling again in Washington, as the Chrysler chairman announced the company would repay its remaining \$800 million in

federally guaranteed debt by September, seven years early. The No. 3 automaker had returned \$400 million in June after ending the second quarter with some \$1.57 billion in cash and marketable securities. Yet Chrysler is also under scrutiny by the U.A.W., which said it would seek wages more on a par with the rest of the industry. Mr. Iacocca promised to “sit down with them shortly.”

Braniff and American Airlines called a cease fire, each agreeing to drop a lawsuit filed against the other. Braniff had accused American of “dirty tricks” that ultimately led to a Braniff bankruptcy. The settlement included a \$6.5 million payment to Braniff by American, and an agreement by Braniff not to file any future civil suits based on such claims. The \$6.5 million saved American some potentially embarrassing publicity about such practices as encouraging travel agents not to sell Braniff tickets and a reservations computer that discriminated against Braniff.

Inflation was pushed higher by surging energy prices in June, as the Producer Price Index rose five-tenths of 1 percent. Some economists were uneasy about the increase but the White House greeted the news as further evidence of gains in the fight against inflation. Industrial production in June continued strong, rising

1.1 percent; retail sales were seven-tenths of 1 percent higher. May business inventories continued to rise, by three-tenths of 1 percent, and business sales were 3.3 percent higher, the best monthly rise in four years.

Pink Slips and Gold Watches. Prudential Insurance will lay off 2 percent of its workforce — 1,700 employees at six offices throughout the country. Chairman Robert Beck says it will save some \$50 million a year. Xerox has dismissed 52 white-collar employees and 76 others left voluntarily. Seventy British Airways executives — 20 percent of its senior management — took early retirement. The airline is looking for 2,000 other retirement candidates.

A Baldwin Bankruptcy? Insurance regulators in Arkansas and Indiana brought Baldwin-United right up to the edge again, as they took control of six subsidiaries that sell annuity policies. The units — losing money at a rate of \$125 million a year — were placed under “rehabilitation” status, an insurance procedure similar to bankruptcy reorganization. The development could move the parent company into bankruptcy proceedings since it could permit creditors to terminate their June 30 “standstill” agreement with Baldwin.

Nathaniel C. Nash

| The New York Stock Exchange | | | | |
|-----------------------------|-------------|----------------|-------------|--|
| MOST ACTIVE STOCKS | | | | |
| WEEK ENDED JULY 15, 1983 | | | | |
| Company | Sales | Last | Net Chng | |
| Chrysler | 4,563,900 | 31 1/2 | + 2 | |
| IBM | 4,409,800 | 120 1/2 | - 1 1/2 | |
| ATT | 4,255,600 | 62 1/2 | + 1/2 | |
| Merly | 3,316,400 | 50 | - 4 1/2 | |
| Baldw U | 3,091,200 | 6 1/2 | - 2 1/2 | |
| Goodyear | 3,047,500 | 29 1/2 | - 2 | |
| Tandy | 2,896,800 | 48 1/2 | - 1 1/2 | |
| G Mot | 2,896,400 | 71 1/2 | ... | |
| Alex Ab | 2,868,300 | 25 1/2 | + 2 1/2 | |
| Sony Cp | 2,776,100 | 13 1/2 | ... | |
| Pan Am | 2,712,300 | 7 1/2 | - 1/2 | |
| Citicorp | 2,705,200 | 36 1/2 | - 1 1/2 | |
| Ford M | 2,540,200 | 57 | + 2 | |
| Exxon | 2,459,000 | 34 1/2 | ... | |
| Gen El | 2,383,300 | 50 1/2 | - 2 1/2 | |
| MARKET DIARY | | | | |
| | Last Week | Prev. Week | | |
| Advances | 699 | 760 | | |
| Declines | 1,299 | 1,189 | | |
| Total Issues | 2,200 | 2,178 | | |
| New Highs | 151 | 175 | | |
| New Lows | 15 | 10 | | |
| VOLUME | | | | |
| | Last Week | Year To Date | | |
| Total Sales | 347,338,390 | 11,826,202,942 | | |
| Same Per. 1982 | 318,782,230 | 7,115,259,316 | | |
| WEEK'S MARKET AVERAGES | | | | |
| | High | Low | Last Change | |
| New York Stock Exchange | | | | |
| Indust | 114.1 | 111.0 | -2.36 | |
| Transp | 93.2 | 90.9 | -2.03 | |
| Util | 46.8 | 46.3 | +0.27 | |
| Finance | 100.4 | 98.2 | -0.92 | |
| Composite | 97.4 | 95.1 | -1.61 | |
| Standard & Poor's | | | | |
| | Sales | Last | Net Chng | |
| 400 Indust | 191.0 | 184.1 | -3.53 | |
| 20 Transp | 30.3 | 29.3 | -0.45 | |
| 40 Util | 65.5 | 63.8 | -0.84 | |
| 40 Financial | 19.9 | 19.1 | -0.37 | |
| 500 Stocks | 169.2 | 163.3 | -2.78 | |
| Dow Jones | | | | |
| | Sales | Last | Net Chng | |
| 30 Indust | 1221.9 | 1187.1 | -14.92 | |
| 20 Transp | 580.5 | 559.1 | -13.97 | |
| 15 Util | 131.0 | 128.0 | -13.02 | |
| 65 Comb | 489.2 | 475.2 | -6.51 | |
| The American Stock Exchange | | | | |
| | Sales | Last | Net Chng | |
| ImpCh | 5,214,900 | 8 | - 1 1/2 | |
| WangB | 1,345,700 | 37 1/2 | - 1 1/2 | |
| Dunlop | 1,215,600 | 1 | - 1 1/2 | |
| AmIndl | 995,500 | 24 | - 2 1/2 | |
| CrystO | 737,700 | 20 1/2 | + 1 1/2 | |
| ChimpH | 673,100 | 5 1/2 | - 1/2 | |
| Rest A | 608,200 | 48 1/2 | - 3 1/2 | |
| DomeP | 602,800 | 4 1/2 | - 1/2 | |
| Rest wt | 499,600 | 13 1/2 | - 2 1/2 | |
| Cyprus | 477,800 | 3 1/2 | - 1/2 | |
| MARKET DIARY | | | | |
| | Last Week | Prev. Week | | |
| Advances | 235 | 374 | | |
| Declines | 580 | 415 | | |
| Total Issues | 916 | 904 | | |
| New Highs | 86 | 118 | | |
| New Lows | 11 | 8 | | |
| VOLUME | | | | |
| | Last Week | Year To Date | | |
| Total Sales | 38,611,750 | 1,279,666,409 | | |
| Same Per. 1982 | 18,135,895 | 563,176,165 | | |

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The Economic Fire Next Time

The players have been shuffled, but the economic policy games go on. Especially the M-games. Liberal economists, newly allied with White House pragmatists, want the Federal Reserve to encourage recovery by letting the money supply, as recorded in M-1, its most basic measure, grow faster than planned. They point out that M-2, an alternative measure of money, is well within the target range.

On the other side are orthodox monetarists, allied with Wall Street conservatives, pleading for caution. Better a slow recovery, they say, than having to cope again with inflation.

Liberals have the edge in this narrow debate. With so much excess productive capacity in the economy and real interest rates at record levels, inflation is not yet a serious threat.

What neither side acknowledges is the harsh truth that, no matter how achieved, growth contains the seeds of its own destruction.

Judging by America's economic performance over the last 15 years, it has become virtually impossible to sustain both growth and stable prices. Unless we begin to deal with the fundamental causes of stagflation — the failure of prices to go down even in stagnant years — every path to recovery will also be a path to more inflation.

Washington breathed a sigh of relief when Paul Volcker, the chairman of the Federal Reserve, clamped on the credit brakes in 1979. Most economists and politicians understood that monetary austerity would greatly reduce employment and output. But they were willing to pay the price because the political system had frustrated every other attempt to break the inflationary spiral.

Now that the inevitable recovery has begun, many of these same experts and politicians find it

convenient to pretend that a new day has dawned. They spread the idea that some clever combination of fiscal and monetary policies will allow the nation to reduce unemployment to acceptable levels without again triggering inflation. But since the 1960's, each cycle of inflation and recession seems to have left the economy more susceptible to inflationary pressures, not less.

Conservatives argue, correctly, that more vigorous competition could make high growth and high employment compatible with stable prices. They thus want to reduce union power in concentrated industries and end anticompetitive subsidies to and regulations over business. But resistance is fierce. The Reagan Administration can barely resist further encroachments on competition, like higher price supports for farmers and trade protection for the auto industry.

Absent more competition, the liberal alternative is some sort of "incomes policy" — preferably tax incentives that would punish both business and labor for inflationary wage settlements that drive up prices and invite still higher wages. Reaganites reject such "interference" with wages and prices, apparently on ideological grounds. Big labor is equally offended, fearing a loss of bargaining power.

There is, plainly, no mandate for reform, liberal or conservative. And in these circumstances, the politician's instinct is to ignore the need for fundamental change until the next election, or the one after that. The inflation fever may not return until after the 1984 voting, but if the lessons of recent history continue to be ignored, it will surely return, perhaps more terribly than before. And the recession needed to cool that fever will be more terrible still.

More New York Pension Raids

While tax-conscious New Yorkers were fighting to save hundreds of millions in pension costs for recent state employees, the Legislature capitalized on their distraction by passing five other pension bills that would cost the city tens of millions. Governor Cuomo, who thinks of the state as one big family, should veto the lot of them so that people who do not work for government need not consider themselves mere in-laws.

The worst of the bills offers pensions to part-time, "paraprofessional" teachers. Labor experts estimate it will cost \$18 million a year. If pensions for part-time workers spread to other branches of local government, the annual cost would be \$52 million. How can anyone doubt that the idea will spread?

There is nothing cruel about opposing this measure. "Paraprofessionals" stand on the lowest rung of a career ladder leading to full-time teaching. Many will climb it. As they do, city government lets them buy pension rights for the time they spent as paraprofessionals.

Almost as bad is the bill that suddenly removes

the ceiling on outside income that is allowed without penalty to pensioners retired for disability. The irrationality of continuing a full, tax-exempt disability pension to someone who is perfectly capable of earning an unlimited income is obvious. Not so obvious is the fact that the present limit on outside earnings discourages people from retiring on disability. Mayor Koch says the change would cost \$1 million a year.

A change in the Fire Department's pension system would keep disabled members at full pay in suitable light duty when they are eligible to retire at three-quarters pay. Obviously, they would have to be replaced on full duty by newly hired firemen receiving full pay. The disabled would thus continue to draw down full pay for work now possibly performed by civilians paid on a lower scale.

These and several other pension changes, added to the fattening of the Tier Three pensions, lead to the troubling conclusion that the municipal unions think they have found easy pickings in Mr. Cuomo's Albany. The Governor, whose staff stoutly denies he has promised anybody anything, could point out that the Tier Three changes were more than enough and disapprove the whole tricky last-minute package.

The Editorial Notebook

Morris Abram, LBJ and Neutrality

They were nervous, milling about in Lyndon Johnson's White House. When was the last time a President had called together the press secretaries of all the departments? What did he want? He marched in, big, brown-suited and angry, and told them.

He was tired, he said, of being compared unfavorably with John Kennedy, especially on civil rights. JFK had a fine record, he said. But so, damn it, did he. "Some day," he thundered, "you'll tell your grandchildren you were proud to have been part of the Johnson Administration."

His words came to mind last week when Morris Abram testified on his nomination to the U.S. Commission on Civil Rights. The testimony, like Lyndon Johnson's civil rights record, turns on one of the great unsettled issues of our time: affirmative action.

It underlies almost every aspect of modern race relations — and it remains open, an unstable equilibrium as America struggles over how much to do to relieve the enduring effects of slavery and bigotry.

Morris Abram is a lifelong enemy of that bigotry. To imply otherwise does injustice to a man of public and private courage. But the respect due a man of principle need not extend to his every principle. And when it comes to affirmative action, the position he enunciated again last week is technical, bloodless, uncharacteristically ungenerous.

To him, affirmative action is permissible only if neutral. He believes "it is morally and legally wrong to discriminate against any person or to discriminate in favor of any person." To do otherwise is to concur in "governmentally enforced quotas."

Quotas offend him deeply because the power to prefer one group today is

Racism Is Different. So Is the Case For Preference

the power to prefer another tomorrow. Other aggrieved minorities, including white ethnic groups, will demand special treatment, setting the stage "for conflict — and tragedy." Government must be neutral, he insists, citing as authority an order by Lyndon Johnson that called on contractors to be color-blind in hiring.

Do other minorities have grounds for complaint? Of course. American life is punctuated with signs that read "No Irish Need Apply" or with anti-Jewish quotas at medical schools. But Mr. Abram evidently finds it hard to distinguish these grievances from the relentless racism of centuries.

Even conceding that, Mr. Abram still thinks it wrong for government to give preference to one group. Yet government does that all the time. As Justice Blackmun observed in the Bakke case, government regularly gives preferences to veterans, the handicapped, Indians and, with the progressive income tax, to many others. "In order to get beyond racism," he wrote, "we must first take account of race. There is no other way. And in order to treat some persons equally, we must treat them differently."

There's every reason for the present generation of Americans to try conscientiously to redress the enduring wrongs of our past. And, if we want more than proclamations of virtue, we need a way of keeping score.

Mr. Abram does not oppose remedial action. He insists that he is for,

if not affirmative action, at least "social assistance." For instance, he would provide job training to all who would work but lack the skills. But then why shrink from devising ways to open up jobs, too? To Mr. Abram, that raises the hateful idea of quotas.

Attaching numbers to affirmative action need not — should not — mean guaranteed numerical outcomes. It is a way to make institutions accountable, to measure honest effort to find minority employees, students, applicants.

Mr. Abram is entitled to his chilly neutrality. What he is not entitled to do is cite Lyndon Johnson in its defense. If one really wants to know what Lyndon Johnson thought of affirmative action, head and heart, one should not stop at the technical language of an executive order. One should recall his words at Howard University in 1965, words that have not been improved on since:

"Freedom is not enough. . . . You do not take a person who, for years, has been hobbled by chains and liberate him, bring him up to the starting line of a race and then say, 'you are free to compete with all the others,' and still justly believe that you have been completely fair. Thus it is not enough just to open the gates of opportunity. All our citizens must have the ability to walk through those gates. . . ."

"To this end equal opportunity is essential, but not enough, not enough. Men and women of all races are born with the same range of abilities. But ability is not just the product of birth. . . . It is the product of a hundred unseen forces playing upon the little infant, the child, and finally the man."

Freedom is not enough, Mr. Abram. Equal opportunity is not enough. Neither is neutrality.

JACK ROSENTHAL

Letters

Merit in Teacher 'Profit-Sharing'

To the Editor:

The current controversy over merit pay for teachers overlooks, I feel, the significance of the overall school environment on student performance.

President Reagan's recent recognition of certain outstanding schools in poverty areas attests to the fact that education is very much a team effort which can succeed even when its teachers are not particularly exceptional. And it is not that difficult, as the President found, to identify such schools and districts which have been doing a superior job.

For example, annual school achievement tests now administered to each child not only measure individual student performance but, when statistically correlated, become a valuable tool for evaluating and comparing the schools themselves. This could be the key to broadening the merit pay idea by rewarding the entire instructional staff of a successful school or district instead of only selected individual teachers within it.

Such a plan could work like a corporate profit-sharing scheme by annually awarding, as a bonus, an equal financial share to each teacher and administrator employed in a school or district whose student body exceeds its previous year's cumulative test performance. The amount of the bonus would depend on the measured increase.

Such a plan would provide immediate advantages. The problem of objectivity in selecting those for merit pay would be eliminated. Those schools whose test scores have been consistently low would have the greatest incentive to improve, both educationally and financially. Administrators as well as teachers would have an equal stake in raising their students' achievement levels. And the existence of such a plan would not necessarily preclude the es-

tablishment of merit pay for outstanding individual teachers.

Finally, and possibly most important, in setting a tangible goal of educational excellence, a group merit pay plan would help to instill a healthy competitive spirit and pride among students, teachers and community.

EDWARD A. ARCHER

Closter, N.J., July 3, 1983

The writer is a member of the Closter Board of Education.

A Profession Out of Step

To the Editor:

Two contributors to your July 1 Op-Ed page, James P. Comer ("Teachers' Merit Pay: 1. Narrow") and Irwin Stark ("2. Salary Disparities Continue") appear to agree that merit pay would result in staff politics and disharmony. The professors should be reminded that the concept of merit pay is the rule, rather than the exception, in most business and professional organizations.

Management compensation is based largely on the result of continual monitoring of performance through periodic appraisals. Most of these appraisals are undertaken for job functions which do not readily lend themselves to easily quantifiable performance measurements. Certainly a degree of subjectivity is involved in determining who has "merit." Nevertheless, despite giving rise to feelings of envy and unfairness and despite cries of "politics," it remains the way of the competitive world.

To remove teachers from its reality leaves their profession without the incentives that drive the majority of organizational structures in our society.

ROBERT CANTOR

Staten Island, N.Y., July 5, 1983

Ill-Conceived Offers to Push the E.R.A.

To the Editor:

The implicit or explicit promise of four candidates for the Democratic Presidential nomination to "use political deals and trade-offs to put pressure on states that refuse to ratify the proposed Federal equal rights amendment to the Constitution" (news story July 11) is simply appalling.

The necessity for state ratification in the amendment process is a critical element in a procedure designed to insure that constitutional change reflect the broadest possible consensus, and not merely the will of the Federal Government. It follows, therefore, that the intention of the proposed Democratic Presidential candidates if elected to use political and economic pressure and sanctions against the states to achieve ratification of the E.R.A. is a blatant violation of the intention behind the amendment process.

Indeed, were President Reagan to use such tactics to encourage passage of a constitutional amendment limiting abortion, most of the women at the National Women's Political Caucus would certainly and properly object.



In short, while one can understand a candidate's desire to speak to the expressed and deserving needs of a major interest group, one cannot approve of the corruption of the constitutional amendment process to achieve this end.

THOMAS E. DOW JR.

Purchase, N.Y., July 11, 1983

Of Apples, Oranges and TV News Coverage

To the Editor:

Edward M. Fouhy of ABC News draws a tortured analogy between the "free movement of Western television crews covering the Pope" in Poland and the prohibition of cameras to televise legislative proceedings in our Senate ("What TV Can't See in the Capital," Op-Ed July 6).

Certainly Mr. Fouhy's view that the public should be allowed to see our senators at work is valid and commendable, but what does that idea

have to do with the permission granted the camera crew that followed the Pope in Poland? Does Mr. Fouhy believe that the Pope would not be given that freedom here and that his "homilies" would not be transmitted from this country to all parts of the world?

A certain amount of latitude is allowed for spice in the art of rhetoric, but the pith of this article really does compare apples to oranges.

ETHEL FEUER

Mount Vernon, N.Y., July 8, 1983

Micronesia Compact: An Unresolved Issue

To the Editor:

Your July 4 editorial "And the Colonies Dwindle" conveyed the impression that United States/Micronesian matters are, in substance, resolved. This is not true with regard to the Republic of Palau.

Palau's Constitution prohibits the use, storage, testing or transit of nuclear materials, including weapons, in Palau's territory. The Compact of Free Association would permit this nuclear presence, and to implement it would violate Palau's Constitution.

Palau's first act of true self-determination was the establishment, with U.S. consent, of its constitutional charter. That Constitution was approved by an overwhelming majority of the Palauan people.

For the United States to begin its "decolonization" of Palau by violating Palau's Constitution would be a sorry lesson in democracy and legality. It is the responsibility of the United States under international agreement to promote Palau's constitutional development, and not to subvert it.

I should note that I was counsel to the Palau Legislature from 1977 through December of 1979. This was the period in which Palau's Constitution and the great bulk of the Compact of Free Association were drafted.

STUART J. BECK

New York, July 6, 1983

The Times welcomes letters from readers. Letters for publication must include the writer's name, address and telephone number. Because of the large volume of mail received, we regret that we are unable to acknowledge or to return unpublished letters.

Draft Registration Before Student Aid

To the Editor:

The Times (July 2) and other newspapers have published reports about the alleged chaos and confusion facing college administrators in living up to the U.S. Supreme Court order to implement the so-called Solomon Amendment, which denies Federal aid to students who fail to register for the draft. As author of the law, I can testify with certainty that such administrative "nightmares" are pure fantasy.

We are well aware that many students were granted Federal aid for the 1983-84 academic year while the Solomon Amendment was still in limbo, held up by a Minnesota Federal court injunction. We do not expect students to go back and update their applications with proof of registration. Rather, colleges will be credited with the funds, and their disbursement can go ahead as scheduled. The students' registration status will be checked at a later date.

Beginning Sept. 1, following a 60-day grace period, students who want to be eligible for Federal loans, grants or work-study programs must simply certify with their signatures that they have registered for the draft. No proof is required; verification is the Government's responsibility.

The administrative argument against the Solomon Amendment has been heard time and again, with many variations, and to the extent that it is genuine, we have bent over backward to meet it. But I have never known colleges to object so strenuously to the implementation of affirmative-action laws or environmental regulations or the various other rules and regulations of our social agenda. I do hope the schools are not implying that only laws that are unpopular with some of their students are inconvenient.

Besides, any confusion was the result of a willful slowness on the part of Federal Judge Alsop, who took nearly four months, instead of two weeks, to hand down his permanent injunction. That, too, I guess, is part of America's due process of law.

We are simply requesting one more piece of data on top of the 20-odd questions on parental income, high school diploma, etc., that now must be faithfully and honestly answered before a student qualifies for Federal aid.

I believe that our country has a right to ask compliance with this fundamental obligation before doling out taxpayer-funded assistance, and the Congress and the American people overwhelmingly agree with me.

GERALD B. SOLOMON
Member of Congress, 24th Dist., N.Y.
Washington, July 6, 1983

To Protect Shipwrecks

To the Editor:

I found your July 5 report of the efforts by French and Egyptian marine archaeologists to unlock the sunken secrets of L'Orient, the flagship of Napoleon's fleet in the Mediterranean, most interesting. Your readers may be interested to know that if L'Orient were sunk off the U.S. coast, we could do nothing to protect it.

Federal courts have held that the salvage provisions of maritime law, which permit salvors to freely search, and frequently destroy, historic shipwrecks, supersede state efforts to regulate their exploration.

I have introduced legislation that, if enacted, will exempt from those salvage provisions any shipwreck eligible for or listed in the National Register of Historic Places. Like other valuable antiquities, the hundreds of historic shipwrecks off our coasts ought to be protected.

LLOYD M. BENTSEN
U.S. Senator from Texas
Washington, July 7, 1983

Gaps in a Soviet Analysis of the Mideast

To the Editor:

Grigory Bondarevsky's distortion of U.S. diplomatic intentions in the Middle East, matched by a total failure to note his own country's activities in the region (Op-Ed July 6), misinforms those seeking to understand the politics of the troubled area.

While ostensibly straightforward, Mr. Bondarevsky's analysis of Middle East politics is marred by a failure to mention Soviet military and diplomatic activities and their consequences. His distortion of U.S. peacekeeping efforts such as the Israel-Lebanon withdrawal agreement or the multinational peacekeeping force in Beirut reveals an unwillingness to endorse constructive diplomacy.

He may criticize such initiatives, but his subsequent claim that Moscow seeks good will with nations through "measures of efficacious disinterest" is visibly refuted in Afghanistan by 100,000 Soviet troops conducting a campaign of terror.

In addition, Mr. Bondarevsky's parochial criticism of American bases in the region neglects to mention Soviet military expansion. Soviet use of the Syrian ports of Tartus and Lata-

kia and facilities in Algeria and Ethiopia are extensions of Soviet military capability into the region.

Soviet military involvement in Egypt is also ignored. Prior to 1972, the Soviets stationed 25,000 personnel in Egypt, who exercised operational control over the Egyptian Army. The Soviet expansion of the naval base of Aden in the late 1970's also escapes Mr. Bondarevsky's inspection, as does the Soviet use of Libya as one of the world's largest arms depots.

The escalation of tension in Lebanon and the Bekaa Valley as the result of Soviet deployment of SAM-5 missiles and thousands of military advisers in Syria should at least be examined in the wider framework of regional political and military impact.

These recurring lapses in Bondarevsky's analysis would be less serious if the issues involved were not so grave for the region and the world community. Torn by serious conflict, the Middle East requires more objective analysis than this unscholarly diatribe.

WILLIAM R. KINTNER
Professor of Political Science
University of Pennsylvania
Philadelphia, Pa., July 6, 1983

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California's Bankrupt Schools

By Bennett Karmin

SAN JOSE, Calif. — It has been five years since enactment of California's Proposition 13, which slashed property taxes by 57 percent and placed a cap on future property-tax increases. With the bankruptcy of this city's school district last month — and the prospect of several more school bankruptcies in the next year or so — the wisdom of the measure is being widely questioned for the first time.

Clearly, for people who have lived in the same house for many years and who have no children in school, Proposition 13 has proven a bonanza. But for the public schools and families with school-age children — especially those in growing communities in which the cost of maintaining public services is fast outstripping local government's ability to pay — Proposition 13 has proven a disaster. Without government intervention to mitigate its effects, Proposition 13 may reduce California's schools — once the paradigm of public education — to mediocrity, forcing the children of many middle-class families into private and parochial schools.

San Jose, in the heart of California's bustling and affluent Silicon Valley, provides an excellent example of Proposition 13's pernicious effects. The San Jose Unified School District was facing an unexpected \$3.5 million deficit this year and a projected \$12 million deficit next year when it gained the dubious distinction of becoming the first of the state's 1,100 school districts — and among the first in the nation since the Depression — to file for bankruptcy.

It is not profligacy that brought the state's eighth largest school district to its knees. San Jose Unified has cut its budget by \$13 million since 1978, laying off 559 of its 2,000 teachers and 300 of its nonteaching employees, closing 15 of its schools and eliminating such "frills" as nurses, counselors and most of its band program. It now gets by with half as many librarians and requires junior and senior high school students to pay a fee to participate in after-school sports.

Perhaps most galling to parents who have been waging a losing battle against further reductions has been the shortening of the school day from six periods to five for junior and senior high school students.

San Jose Unified is not the only California school district in financial trouble. The State Assembly Ways and Means Committee estimates that four other school districts — in Alameda, Shasta and El Dorado counties — will also run out of money by the end of the year. The Oakland School District, for example, recently voted to lay off 377 teachers to reduce a projected deficit of \$12.8 million in 1984. In all, 24 of the state's school districts may soon need some form of financial help before the end of the year.

San Jose differs from most of these other districts in its reputation for excellence. It ranks 14th in the state in the ratio of students to teachers,

One district files for bankruptcy

and its teachers' salaries rank as the second highest in Santa Clara County.

Faced with mounting pressure from anxious parents and angry teachers, state senators recently passed a relief package that would raise taxes by \$700 million. The measure would generate revenues from several taxes, including a quarter-cent increase in the state's 6½ percent sales tax, a 5 percent surcharge on corporations with a net income of \$10 million or more, a rise in the cigarette tax to 15 cents a pack from 10 and a 50 percent increase in taxes on wine, beer and liquor.

The legislation requires schools that receive the new money to impose mandatory academic requirements on graduating high school seniors and to extend the length of the school day and year.

While Governor George Deukmejian has indicated that he is not averse to signing a bill authorizing emergency money for hard-pressed school districts such as San Jose's, he is adamantly opposed to any measure that would increase state taxes.

With no additional money from the state, which itself is expected to be \$1 billion in the red by the end of the year, and with local governments restrained from raising taxes by Proposition 13, San Jose Unified must look forward to further belt-tightening. Already there are plans to eliminate the district's reserve of substitute teachers, lay off all school librarians and media resource teachers and do away with the six-period school day for 9th and 10th graders.

Whether these additional cutbacks will prove sufficient to allow the district's schools to reopen this fall is hard to say. Everyone is hoping that the state will throw the foundering district a financial lifeline, but with a fiscally conservative Republican Governor in office, no one is counting on it. Only one thing seems certain. When the school bell rings this September, San Jose Unified schools will have fewer pupils, and local private and parochial schools will be more crowded than ever.

Bennett Karmin, a writer and taxpayer, has two sons in high school in the San Jose Unified School District.

WASHINGTON, July 16 — The march to the Reagan-Andropov summit has begun. Likeliest site: Geneva. Target date: April of 1984, in the midst of the Democratic primaries.

First stage of the march can be seen in the Pope's visit to Poland, which sapped the vitality of Solidarity's resistance to the puppet regime. The photograph of Lech Walesa and the Pope remains suppressed by the Vatican; martial law, no longer needed to keep the Poles in line, is expected to be lifted next week; the Reagan Administration will respond with a symbolic lifting of restrictions on fishing and airlines and a significant decision to prevent Poland from being declared bankrupt.

The second stage could be witnessed at the Madrid conference last week: an agreement was reached between the U.S. and the Soviet Union permitting us to cluck sympathetically at the violations of human rights supposedly guaranteed by the Soviets at Helsinki in 1975.

In return for a second-class propaganda forum three years from now

(mentioned only in a side statement made by the Swiss, not signed by the U.S.S.R.), the Soviets get our signed agreement to a world-class disarmament conference in Stockholm six months from now, as European arms jitters reach their height. President Reagan hailed this negotiating defeat as leading to "a more stable and constructive relationship with the Soviet Union."

In reality, the Helsinki Final Act legitimized the Soviet Union's border claims in Europe in exchange for its quickly-broken promises on human rights. A bipartisan cottage industry has been established in the U.S. Congress to wring its hands about violations of that treaty, enabling doves to join hawks in striking anti-Soviet postures without deviating from détente. Instead of threatening to rescind U.S. approval of Soviet border claims, Mr. Reagan has meekly gone along with the handwringing.

The exposure of American impotence at Madrid was not without its flip leaves. We can expect the release from Russia of a few Pentecostals,

ESSAY

The Ron And Yuri Show

By William Safire

and the end of imprisonment and torture for Anatoly Shcharansky (no to Andrei Sakharov, no to tens of thousands of Jews seeking freedom). This will be taken as proof that Mr. Reagan's pre-summit diplomacy is working.

A third stage on the run-up is out of our hands: the rape of Afghanistan by 120,000 Soviet troops is not conducive to summitizing. Having lifted Jimmy Carter's grain embargo — which had been our only counter to the Soviet invasion — Mr. Reagan is hard put to reward continuing aggression with a shake of the still-bloody hand. (The Saudis, while maintaining blackmail payments to Syria, have cut funds to the resistance in Afghanistan.)

The Administration is depending on the world's best diplomat, Foreign Minister Yaqub Khan of Pakistan, to inveigle a troop withdrawal in return for a guaranteed Soviet puppet regime in Kabul.

On the yellow brick road to a meeting of world leaders, differences must be minimized. Accordingly, expect to see South Africa berated for not releasing Namibia, rather than Soviet Cuban mercenaries blamed for not withdrawing from Angola. Expect Syria, wholly dependent on Moscow for military support, not to be castigated by our envoys for finally revealing its plan to annex Lebanon.

Is it worth it? Is the political value of summertime, when the poll ratings are easy, worth wrenching a hard-line policy out of shape?

Certainly the political value is great — go try to create a campaign film without a summit to live up to the section on "peacemaker." Even if the great issues could not be resolved by the summit, there is something to be said for getting the cut of the Soviet leader's jib, and something can always be signed on environmental cooperation or heart research if Start doesn't get off the ground.

But consider the costs of election-year summits. In Poland, martial law is eased, which we hail as a triumph — but Solidarity is silenced, which was why Moscow demanded martial law. The Russians have won.



Losses And Gains In Lebanon

By Rita E. Hauser

Secretary of State George P. Shultz has returned empty handed from the Middle East, and it is time to draw a balance sheet for last summer's war in Lebanon. What the war proves once again is that resort to force by a democratic nation for other than defensive purposes, clearly defined and publicly supported, rarely accomplishes anticipated results and, indeed, often produces perverse effects that are felt for a long time.

Among the losers, Lebanon itself ranks first. Its Christian leadership has relied on Israeli arms and materiel since the civil war began in 1975. The Phalange leaders had hoped throughout to pull Israel directly into the conflict, and they succeeded in doing so last summer. The immediate benefits to Lebanon were the dispersal of the Palestine Liberation Organization, its ouster from the south and from much of Beirut, and recognition of President Amin Gemayel as Israel's direct partner in the establishment of a new order. Last summer, the Syrians showed a stunning inability to counter the Israelis, while the Russians were preoccupied by domestic matters in the waning days of Leonid I. Brezhnev.

But as the dust settles one year later, Lebanese Christian leaders still find themselves unable to control the country. They are embroiled in sectarian conflict with the Druse and other groups, while the Lebanese Army cannot prevent the P.L.O. from returning to parts of Beirut and the Tripoli area. Meanwhile, a rearmored Syria refuses to pull out of the Bekaa, Lebanon's eastern valley, and the Israeli-Lebanese pact for withdrawal of all foreign forces still has not been put into effect.

Under great public pressure, Israel has all but decided to withdraw unilaterally from around Beirut and deploy its forces along the Awali River. It will thus effectively control southern Lebanon, including the two large cities, Sidon and Tyre. Syria will consolidate its hold over the Bekaa and the Tripoli area, while the Christians will control only Beirut, the port of Junieh and their traditional stronghold in the adjoining mountains. Moreover,

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even if a Christian-led government survives, Syria will continue to dominate Lebanon's relations with the Arab world. For Lebanon, then, the result of the war is not liberation but probably partition and indefinite occupation by foreign forces.

Israel, too, must be seen as a loser. It has been unable to prevent the P.L.O. from regrouping around Tripoli, where it will now be subject to direct Syrian control. Israel finds itself policing sectarian warfare between Christian and Druse forces, with continuing casualties and growing disaffection in the army and at home. Israeli troops deployed along the Awali River will also bear responsibility for the security of the large Palestinian refugee camps — housing about 100,000 people — south of the river, around Sidon and Tyre.

Syria and Soviet are ahead

Prime Minister Menachem Begin's dream of a strong, united Lebanon under a Christian President — either Bashir Gemayel or his brother and successor, Amin — that would be able to dominate a chaotic Lebanon and willing to make a real peace with Israel was, to many viewers, never more than a far-fetched dream. Certainly, it was a shaky underpinning for engaging in a major war.

Israel has paid a terrible price for its intervention in Lebanon. The country is badly divided, the army is demoralized and, for the first time in Israeli history, some soldiers have refused to serve on the front lines. The casualty toll is awesome — more than 500 killed and about 2,000 wounded since June 1982.

The Palestinians, once again, are certain losers. Yasir Arafat's organization, Al Fatah, to which most Palestinians in Lebanon, Jordan, the West Bank and Gaza give political alle-

giance, is in disarray. Syria supported the mutiny in Al Fatah against Mr. Arafat, and he will remain leader of the P.L.O. only at the sufferance of Syria.

Any chance of the P.L.O. and Jordan joining to negotiate a settlement with Israel — if such a chance ever existed — seems to have been eliminated. Israel could still open direct discussions about real autonomy with Palestinians living in the West Bank and Gaza, but this is hardly in line with current Israeli policy. Without a change of leadership in Israel, the building of settlements in the West Bank and Gaza will continue, if not accelerate. Resolution of the Palestinian problem — whether along the lines laid down in President Reagan's peace plan or in some other fashion — appears remote.

The clear immediate winner of the Lebanese conflict is Syria. Although it was humiliated in the early days of the war, it has reaped major benefits without further fighting. Soviet rearmament and support permitted it to face down Israel, which did not want a full-scale war with Syria, and to refuse to accede to demands for withdrawal made by the United States, Saudi Arabia and other Arab countries. Syria will effectively absorb the large portion of Lebanon that it now occupies and thus reconstitute the "Greater Syria" it has claimed since 1943.

It now dominates Al Fatah, which was formerly somewhat independent of the pro-Syrian groups in the P.L.O. Perhaps most important, President Hafez al-Assad has emerged as the dominant Arab leader in the post-Lebanon war era. The Saudis will finance him, the Russians will arm him and the United

States will continue to woo him, hoping for a conciliatory gesture in exchange.

The Russians, too, are winners. They have shown that they are able to block American peace efforts. They will have a pervasive say in Syria's affairs; their alliance with Iraq and closer relations with Iran restore their standing as a serious competitor in the Middle East.

And what of the United States? It comes off, on balance, as a loser. An independent, undivided Lebanon was long a premise of United States policy, and that is lost.

The United States could not prevent Israel from moving into Lebanon; it cannot now deter Israel from withdrawing to the Awali River; it cannot persuade the Syrians to leave Lebanon; and the Reagan plan for the West Bank seems to have been abandoned in the fracas of Lebanon. Most significant, perhaps, we now face a resolute Soviet bid for power in the region.

Such are the costs of Israel's invasion of Lebanon. All in all, the results are disquieting for the United States. Creative diplomacy and original thinking are essential now.



Best Were the Kids

By Edward F. Murphy

your class. If tempers flare and one kid hits another, you have to break up the fight. If a pupil complains, "Teacher, Alberto is copying from me!" you have to admonish Alberto. If there is a wall of sirens and firetrucks gather beneath one of your classroom windows, you have to say sternly, "Stay in your seats!" This, despite the fact that you yourself would dearly love to see what's going on.

E. V. Lucas spoke the truth when he said, "It's heartbreaking to be a teacher because one is fighting Nature most of the time." Children want to learn, but children also don't want to learn. Children want to be told what to do, but they also resent being told what to do. As a teacher you often find that while some of your pupils are keenly interested in what is being taught, others couldn't care less. Their attention wanders, they become restive, then disruptive, and, figura-

tively speaking, you reach for the aspirin.

I never knew a teacher who drank on the job, though it was a wonder to me that some of them did not. The pressure is intense and unremitting. If you lacked a conscience, then your task would be infinitely easier. You wouldn't care if Jose learned the difference between "to," "too" and "two." You wouldn't care whether or not Leon learned to multiply by two numbers. But you do care. You care very much. And you feel deeply frustrated when one of your children seems unable to grasp what is being taught.

Rightly or wrongly, when I was a teacher I felt that most people who weren't themselves teachers had virtually no idea of what actually went on in a classroom. Apparently, they believed it was a rather easy job with short hours and a long summer vacation. I also felt that they held the

teaching profession somewhat in contempt. After all, the pay wasn't that good, and if you weren't making a lot of money you didn't merit a great deal of respect. People patted you on the head and spoke glowingly of "dedicated teachers" but kept your salary low, voted against larger school budgets and wondered why teachers joined unions.

In retrospect, the best thing about teaching was my contact with the children. Headaches aplenty they gave me, but the bond between us was intimate and real. They liked me and I liked them. I felt anger toward them, but I also felt love. We had a lot of laughs together. They were refreshingly frank. I remember saying in an exasperated tone to one of my fifth graders who was fooling around, "Rafael, what's wrong with you?" Immediately, he shot back, "The same thing that's wrong with you, Mr. Murphy. Only you got it worse!"

As for the other teachers, some of them I liked a lot. Others aroused no great affection in me. However, I felt that they all took their jobs seriously. They tried hard, very hard. In no sense were they goofing off. They did great honor to their profession.

In Western Europe, even freezers agree with our protestations about Soviet violations of Helsinki's Final Act, which we treat as a propaganda victory — but the violations continue, and the Soviet territorial grabs are legitimized. The Russians have won.

In Afghanistan, if Soviet troops are withdrawn, we will cheer diplomatic success — but a neutral government will have been replaced by a Soviet puppet regime, and the Russians will have won again.

The Soviet Union takes two aggressive steps forward and then expects the rewards of détente when it takes one step back. That pattern will be repeated in theater nuclear weapons if we compromise the base of our "zero option."

Election-year summitry asks too much. If Mr. Reagan runs and wins, and if Mr. Andropov lives, our best time for a summit is December of 1984.

Pluralism In Russia? Let's Mind Our Own Business

By Edward Pessen

According to Secretary of State George P. Shultz, it is the goal of the Reagan Administration "to encourage the gradual evolution of the Soviet toward a more pluralistic political and economic system." In this, the Administration violates the pragmatic tradition of American foreign policy that was stated most forcefully by George Washington in his farewell address on Sept. 17, 1796.

Washington urged the nation's future leaders to cultivate "peace, harmony, and liberal intercourse" with all nations, and he argued that such a course was "recommended by policy, humanity, and interest." He warned that "nothing is more essential than that permanent, inveterate antipathies against particular nations" should be avoided, since such animosity would lead our nation "astray from its duty and its interest."

Washington's advice anticipated by a half century the argument put forward by Lord Palmerston, the British Prime Minister, that a nation has neither permanent friends nor permanent enemies, only permanent interests.

The first President knew that most European nations encouraged inequity at home, imposed slavery on other peoples and regularly waged aggressive imperial wars against their rivals. He knew that we, too, had enslaved Africans and despoiled Indian tribes.

Still, the clear implication of his message was that it was not part of our public obligation to try to change the political or social order of any foreign nation in directions that might be personally congenial to those in charge of the executive branch. In his view, no matter how other nations were organized and governed, they were likely to be selfish and amoral in their conduct toward other states.

Certainly, Washington's message derives in part from the historical circumstances in which it was delivered: Among other things, the President feared that excessive sympathy for our Revolutionary wartime ally, France, might induce us to pursue a foreign policy detrimental to our interests. It is a disservice to the wisdom in Washington's message, however, to dismiss it as ephemeral or partisan politics.

As men who have thrived in a capitalistic system, Mr. Shultz and other of our leaders have evidently come to regard it, for all its blemishes and inequities, as close to an ideal form of society that other peoples would be wise to emulate. This benign view of pluralistic capitalism may or may not be right, but it is, of course, challenged by many knowledgeable men and women of good will.

As for the belief that "pluralistic" systems are peculiarly conducive to peace, the notion is not borne out by the historical record. Such societies, our own included, have waged dozens of aggressive wars. Thucydides long ago observed that while Athenian institutions were doubtless more attractive — more pluralistic, we might say — than those of Sparta, the Athenian empire was no less exploitative than the Spartan one.

Inspired by the writings of Lenin, Soviet leaders teach their people that pluralistic and imperialistic capitalism is the prime cause of modern wars. But both Russians and Americans would do well to note that good sense and the interest of global peace argue for putting aside all doctrinaire assumptions about one or another system's propensity for war. Far better to guide ourselves by the principles that no system is perfect and that all systems must strive to live together. War results not from the inexorable workings of this or that system but from the stupid behavior of the leaders of whatever system.

Edward Pessen, distinguished professor of history at Baruch College and the Graduate School and University Center of the City University of New York, is author most recently of "The Social Backgrounds of the Presidents."

Arts & Leisure

Woody Allen Refines His Cinematic Art

By VINCENT CANBY

In this land of unlimited opportunity, a place where, to paraphrase Woody Allen, any man or woman can realize greatness as a patient or as a doctor, we have only one commercial American filmmaker who consistently speaks with his own voice. That is Woody Allen, gag writer, musician, humorist, philosopher, playwright, stand-up comic, film star, film writer and film director.

Though it runs a mere but delicious 84 minutes, "Zelig," his new, remarkably self-assured comedy, is to his career what the 15½-hour "Berlin Alexanderplatz" is to Rainer Werner Fassbinder's and the three-hour-plus "Fanny and Alexander" is to Ingmar Bergman's. This incongruity in running time may be a law of nature. Woody Allen is much shorter than Mr. Bergman and never has he tipped the scales to equal the hefty Mr. Fassbinder was carrying around in the years before his death.

"Zelig" is small but it's one of those Allen comedies by which all his other films will be compared. One can make associations between Woody Allen and Mr. Bergman and Mr. Fassbinder if only because it's understood that exceptional films by great filmmakers are never really comparable. When they are mentioned in the same breath, it's to suggest relative importance and "Zelig" is a Woody Allen masterpiece.

It's a summation and a perfection of methods and ideas that have been turning up in all his films, from "Take the Money and Run" (1969) through "Stardust Memories" (1980) and "A Midsummer Night's Sex Comedy" (1982). He is unique. One would have to go back to the silents to find any other American filmmaker who has so successfully — and over such an extended period of time — attended to his own obsessions.

When movies learned how to talk, the best American filmmakers did not exactly lose their voices but they were forced to disguise them. The art and the eccentricities of D.W. Griffith and Erich von Stroheim could not be easily accommodated by the structure of the talking-picture studios. The global business that American moviemaking became during the Depression demanded a nonstop flow of what Hollywood calls "product" to fill movie theaters around the world. Studio heads did not have the time or the money to cater to the special obsessions of filmmakers unless they paid off at the box office.

Because many of our best filmmakers of the 1930's and 1940's made their livings by turning out a random assortment of romantic comedies, westerns, musicals and historical dramas, it took critics a good 30 years before they were able to recognize the consistency of the voices in the films of such people as Billy Wilder, Howard Hawks, John Ford, George Cukor and Vincente Minnelli. To hear those voices is not always easy. Sometimes they are so faint they can only be heard by the most devoted cinema student.

The situation today is no better and possibly even a



In "Zelig," Woody Allen shares fame with such celebrities as Jack Dempsey, top left; Herbert Hoover; and Eugene O'Neill, lower right.



includes such classics as "Yankee Doodle Dandy" and "Casablanca." John Badham is the director of two of this summer's more popular films, "WarGames" and "Blue Thunder," but can anyone find a Badham personality within those films?

"Trading Places" is one of the best American comedies in a long time, but I'd be hard-put to assign more responsibility for the film's success to its director, John Landis, than to Timothy Harris and Herschel Weingrod, who wrote it, or to the members of the cast headed by Dan Aykroyd, Eddie Murphy, Don Ameche, Ralph Bellamy and Jamie Lee Curtis.

The Woody Allen film career must be one of the oddest in the history of the American sound cinema. He doesn't hang around Hollywood. He lives and works mostly in New York. He never went to a film school. His only connection to television was his early years as a joke writer and then, later, as a performer or a guest on talk shows.

Since 1969, he has written and directed 11 films, in 10 of which he was the star, acted in one film, "The Front," which was written and directed by others, and acted in another, "Play It Again, Sam," which he adapted from his own play but which was directed by Herbert Ross. He's also written one lovely, uncharacteristic play, "The Floating Light Bulb," which was done at Lincoln Center. In addition, he has written and published several collections of humorous pieces, which, to his stupefaction, are classified as nonfiction when they appear on best-seller lists.

The most exciting thing about his career is being able



little worse. There are fewer films being made, at constantly escalating costs, and thus fewer opportunities for filmmakers to develop any sort of recognizable style. Two of our most successful filmmakers, Francis Ford Coppola and George Lucas, are to be recognized less as artists than as tycoons. Steven Spielberg has made several fine, idiosyncratic films, including "Close Encounters of the Third Kind" and "Raiders of the Lost Ark," but I'm not sure I recognize any single voice within them, especially after seeing his dismal little contribution to "Twilight Zone—the Movie."

Martin Scorsese has his own voice — urban, hip and a little lunatic. It's also unsentimental and chilly. Thus, when it's not disguised by effective melodrama, as it is in "Taxi Driver" and "Raging Bull," the public tends to be put off, as they seem to have been by "The King of Comedy."

A commercial filmmaker doesn't have to have a particularly strong individual style to make halfway decent and sometimes very good films. Witness the career of Michael Curtiz, a most ordinary director whose work

to see how he has continued to develop and refine his control of a medium in which, quite frequently, less is more. "Zelig" is both a writer's and a director's film, a movie that could not have been made if Mr. Allen hadn't served time as a stand-up comedian and as a ferocious student of films, as well as the kind of writer who is so comfortable at the typewriter that he doesn't hesitate to write "on speculation." One of the more invigorating aspects of "Zelig" is its technical wizardry by which new black-and-white footage and new soundtracks are seamlessly blended with a lot of material dating from the 1920's and 1930's.

"Zelig" is full of wonderful echoes. Its form is not unlike that of "Take the Money and Run," since it's pre-

sented as a solemn documentary on the life and times of one Leonard Zelig (Mr. Allen). Zelig, a classic Allen creation, is an initially mysterious and nutty character who, in the 1920's, briefly enjoyed a celebrity equal to that of Charles A. Lindbergh, Jack Dempsey, Queen Marie of Rumania, Charles Ponzi and Alvin "Shipwreck" Kelly, some of the stars of what Frederick Lewis Allen called "The Ballyhoo Years" in his book "Only Yesterday."

Though Mr. Allen tells us that Leonard Zelig was a celebrity of the 1920's, Zelig's claim to fame is something that very much reflects the concerns of our 1980's. Zelig, you see, is a man so completely and so pathologically without any identity of his own that, without conscious effort, he takes on the physical, mental and emotional characteristics of any strong personality he's with.

In the course of "Zelig," we witness "the chameleon man's" rise to celebrity, his miraculous cure, his awful fall from public favor and, eventually, his rehabilitation as seen through "old" newsreel footage, early interviews with him, home movies and footage shot during his treatment by Dr. Eudora Fletcher (Mia Farrow). Throughout the film there are contemporary interviews with fictional characters as well as with such real representatives of the intelligentsia as Susan Sontag, Saul Bellow, Dr. Bruno Bettelheim and Irving Howe, each of whom discusses Zelig's place in history much like the "witnesses" in Warren Beatty's "Reds."

The use of these simulated newsreels and other "factual" material always keeps the story of Zelig one step removed from the audience. "Zelig" is a movie with very few of the kind of private moments that we expect in fiction films. Yet "Zelig" is not only priceless funny, it's also, on occasion, very moving. It works simultaneously

While "Zelig" is full of wonderful echoes, one of its more invigorating aspects is its technical wizardry.

as social history, as a love story, as an examination of several different kinds of film narrative, as satire and as parody.

It's just because Mr. Allen is such a brilliant parodist that some of his more recent films have run into trouble with the critics. His films made in what appears to be the style of Ingmar Bergman ("Interiors," "A Midsummer Night's Sex Comedy") or Federico Fellini ("Stardust Memories") look amazingly authentic even though they deal with obsessions totally Mr. Allen's. Seeing only the exteriors of these films — and I had trouble penetrating the beautiful, bleak surfaces of "Interiors" — one tends to see not the original work beneath but only the superficial resemblances to the works of others.

This has angered a lot of people who, having pledged their allegiance to Woody Allen-the-funnyman, have become disoriented by the realization that Woody Allen is "serious." With the possible exception of "What's Up, Tiger Lily?" (1966), the schlocky Japanese spy movie to which he attached his own, sidesplitting English soundtrack, no Woody Allen movie has ever been more or less serious than another of his works. He's always been serious. It's the audiences who have been frivolous.

In "Zelig" he reassures us that he can still be funny and moving without making the sort of insistent filmic references in which he delights but which can be infuriating to others. "Zelig" is a nearly perfect — and perfectly original — Woody Allen comedy.

The Salkind Heroes Fly High

By SANDRA SALMANS

In its fifth week, "Superman III" is flying high. Not so high as "Superman I" or even "Superman II," but the amounts are very huge, said a satisfied Alexander Salkind, the series' executive producer. Almost certainly, that implies a "Superman IV." But first, there will be "Supergirl" next summer, and then, for Christmas 1984, the newest airborne, red-clad Salkind cinematic hero: "Santa Claus."

For the past decade, Alexander Salkind and his son, Ilya, have made their name and fortune as the producers of tongue-in-cheek adventure movies and, like their cinematic heroes, they have had countless brushes with danger. While sequels have become a popular Hollywood art form, probably no one has adopted the device with more unabashed entrepreneurialism than have the Salkinds. Starting in 1974, the Salkinds — Alexander, 62, is the financial mastermind, while his son Ilya, 35, handles the creative end — have sought to transform moviemaking into an industry that, like packaged goods or steel, has economies of scale.

Thus, they spun two "Musketeers" — "The Three Musketeers" and "The Four Musketeers" — out of the footage from one film, and tried the same technique, less profitably, with "Superman." For their daring, the Salkinds have gone down in legal history: actors' agents and lawyers adopted the so-called Salkind clause, which prohibits producers from salvaging footage from the cutting room floor for a second movie without paying the cast accordingly.

As esthetics go, the Salkinds are unlikely to get even a footnote in the Cahiers du Cinéma for their recent movies. Earlier in his career, however, Alexander Salkind produced a handful of films that were critically, if not commercially, respected. Among his productions, for example, was "The Trial," a film directed by Orson Welles that was offered in competition at the Venice film festival in 1962. Was it his best film? "No," Mr. Salkind replied, interpreting the question as a commercial rather than critical one. "It was the intellectual one. Kafka is not too commercial, you know." But when the question was rephrased, Mr. Salkind gave the same answer. "Personally," he said, "I like 'The Three Musketeers.'"

Mr. Salkind, who lives in London and Bern, made a rare visit to New York last month for the premiere of "Superman III." But because the producer of "Superman" does not, ironically, believe a man should fly, Mr. Salkind sailed to New York on the QE2 and settled in at the Pierre Hotel to wait for the next crossing, nearly a month later. In the interim, he juggled trans-Atlantic and bi-coastal telephone conversations, in strongly accented English and other languages; he also speaks Russian, German, Spanish, Italian and French. And, a diminutive, shaggy-haired figure in a powder blue suit, ascot, white bucks and gold locket, he gave an interview over lunch at the Russian Tea Room.

The blend of old and new worlds is appropriate. Born to Russian parents in Gdansk, Mr. Salkind grew up in Berlin and Paris. His father was Miguel Salkind, a film producer so well established that, at one time, he and Alexander Korda, the leader of the British film industry, contemplated a joint venture. It never came off, but Miguel did produce a host of memorable films, including one of Greta Garbo's first pictures, "The Street Without Joy."

Mr. Salkind's early memories are of those early European film stars; he draws from his breast pocket a tattered photograph of a very young Alexander with the singer Feodor Chaliapin — starring in Miguel Salkind's

"Don Quixote," which won the Gold Medal in Venice in 1933. In a common practice of the time, Miguel Salkind often shot the same film twice, with French and German stars to appeal to national audiences. "It was a different kind of system in those days," said Mr. Salkind nostalgically.

Initially, Mr. Salkind followed in his father's creative footsteps. Fleeing Europe during World War II, the family landed in Cuba and then in Mexico, where Alexander joined his father on a production, "Rocket to the Moon," with Buster Keaton. As his father's financial manager, he co-produced Abel Gance's "Austerlitz," then set out on his own to make "The Trial" and, on a more commercial note, "Bluebeard," with Raquel Welch and Richard Burton. But such movies, European co-productions using Italian, French or Spanish talent with a sprinkling of American stars, failed to appeal to the all-important United States market. "This European cocktail doesn't do," said Mr. Salkind. "So I changed very late." He changed for good with the resoundingly successful "Three Musketeers," filmed in Spain but with a mostly American cast, including Miss Welch.

It was in 1974, during the shooting of "The Three Musketeers," that Mr. Salkind tried to update his father's two-for-the-price-of-one system for modern times. "We had too much footage," he recalled. "So it made sense to have two parts: 'Three Musketeers' and 'Four Musketeers.' The actors were not entirely happy with the approach, Mr. Salkind conceded, although "the contract said that we can do with the movie whatever we want. Raquel Welch complained first, and the others joined. So to avoid attorneys' fees, we gave them a piece of the second film."

The Salkinds, gleeful about their profits from the "Musketeers," were undeterred by the legal imbroglio. "It was a good business so, after that, we tried with 'Superman,'" said Mr. Salkind. The choice was Ilya's, he added: "He always liked to read the comics." The Salkinds bought the film rights to "Superman" for 25 years. To distinguish their "Superman" from a host of predecessors, they sought a star, and found a dazzling one: Marlon Brando to play Jor-El, Superman's father. Mr. Brando's price was heavy — 12.5 percent of the film's rentals, or the box-office gross minus the theater owner's share — but it bought the Salkinds credibility.

It was no time at all, however, before the Salkinds' carefully-laid plans went awry. Partly because of countless retakes, partly because of the novelty of the special effects needed, Mr. Salkind said, "Superman I" ran three times over budget. A change of director — the Salkinds, at war with Richard Donner, eventually replaced him with Richard Lester, who had directed the "Musketeers" films — and special effects that quickly became obsolete meant that more footage had to be shot for "Superman II" than originally planned. In the end, "We had to do more than two-thirds of it from start," said Mr. Salkind. "So the formula didn't work." Together, "Superman I" and "Superman II" cost \$110 million.

Mr. Salkind still winces when he remembers what Mr. Brando was paid. "He collected \$13 million or \$14 million for 12 days, of which we used six," he said. (By contrast, Christopher Reeve, the young unknown chosen for the title role, was paid \$250,000 for "Superman I," \$200,000 for "Superman II" and received a share of the rentals only for "Superman III.") For "Superman II," the Salkinds edited out Mr. Brando and substituted Superman's mother. If they hadn't done that, Mr. Salkind said, "He wouldn't have made \$13 million, it would have been \$25 million." Now, he added, "After Mr. Marlon Brando, I don't want to give participations too much more."

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A LEBANON-SYRIA agreement, based on the precedent of the Lebanon-Israel agreement, could include the following points:

a. An undertaking by Lebanon not to allow any foreign force (read, Israel) to use its territory for the purpose of attacking Syria. It might be possible here to achieve guarantees from the U.S. and the Soviet Union, too.

b. A condition that if Israeli forces entered Lebanon, Syrian forces would have the automatic right to re-enter Lebanon, too.

c. An undertaking that the Lebanese forces stationed in the Bekaa and the area of Tripoli would be pro-Syrian.

Syria's stubborn insistence on a signed agreement with Lebanon for the withdrawal of Syrian forces from Lebanon is not, for the most part, based on considerations connected with Lebanon itself.

The real issue concerns the other areas of conflict between Israel and Syria, and the possible effect of the Lebanon-Israel agreement on these areas. This agreement is an expression of an attempt on the part of Israel and the U.S. to obtain by political action what was not gained by military force: the isolation of Syria and the questioning of the legitimacy of the positions of Syria and the Soviet Union in the Middle East.

In this framework, the involvement of the two super-powers on the Middle East scene only complicates the issue. This involvement is turning the Lebanese crisis into a lever with which to try to manipulate events in the general dispute of the area.

For Syria and for Israel, the priorities have changed: Lebanese issues — important as they may be, but still secondary — have taken precedence over the general conflict, and this with super-power involvement.

The establishment of open relations between Israel and Syria is contingent upon a return to the situation where Lebanon represents a secondary issue with only peripheral super-power involvement.

CONCLUSIONS:

The three models that have been presented are not mutually exclusive either at the theoretical or the practical level. Israel cannot adopt one of them without giving

due consideration to the other two. Indeed, one model may lend support to the implementation of another.

For instance, the possibility of a dialogue with Syria will only be strengthened if Syria knows that Israel might attack in force should Syria begin to wage a war of attrition against Israel's forces in Lebanon.

Dependence on the American solution is fraught with danger. It might well prove to be a fragile solution, and it might lead to a situation in which the U.S. will decide to deal with the entire Middle East conflict.

Israel must, parallel to dependence on the American factor, work towards opening lines of communication with the Syrians in the hope of being able to establish a dialogue with Syria, without American intercession.

OF COURSE, there is a danger that an Israel-Syrian agreement on lines in Lebanon will, in time, create a *de facto* partition of Lebanon. This is what worries both the Lebanese and the Americans.

But another danger inherent in this model is that Lebanon will turn into "the West Bank of the North." These worries can only be allayed by Israel becoming convinced — and convincing its allies — that this is only an intermediate step, and one that is essential to obtaining a Syrian and Israeli withdrawal from Lebanon.

The only real impediment to this plan for mutual agreement between Israel and Syria is the Syrian belief that Israel is only trying to draw Syria into a "zero-sum" game. Therefore, it is imperative that Israel make the following points clear to Syria:

1. That Israel is willing to abandon the present demand for the withdrawal of all foreign troops from Lebanon, demanding only the immediate withdrawal of all PLO troops, leaving the matter of Syria's withdrawal to be negotiated between the governments of Syria and Lebanon.

2. That Israel will totally reject any attempt to connect the issue of the Golan Heights with negotiations on Syrian withdrawal from Lebanon.

3. That Israel sees Syria as a positive force in the rehabilitation of Lebanon, even after its military withdrawal.

Lebanon lessons

The third and final part of a memorandum on Israel's options in Lebanon prepared for the Tel Aviv University's Centre for Strategic Studies by Zvi Lanir.



4. That Israel hopes to gain an agreement with Syria whereby the Syrians will not move south of the Beirut-Damascus highway; will prevent the penetration of the PLO into the south and, together with Israel, will try to pacify the Shouf area and assist the Lebanese Army in controlling all areas evacuated by the IDF.

Israel should plan to withdraw from Lebanon as soon as possible, but at the same time it should recognize that Israeli troops may have to remain there a long time.

This recognition will require an entire restructuring so that the Israeli presence in Lebanon will not deplete the strength of the IDF, the political energy of the government and the resources of the nation.

This demands a redeployment along a new security line that will ensure Israel's interests yet reduce the number of Israeli casualties.

Both parties must also agree, tacitly at least, that it is the spirit and not the letter of the Israel-Lebanon agreement that must be observed.

A great deal of flexibility will be required, particularly when dealing with those paragraphs that demand a Syrian withdrawal of troops from Lebanon.

If, in the course of this, Syria still refuses to withdraw, Israel must nevertheless remain willing to tell Lebanon and the U.S. that it will fulfill its obligations under the agreement.

Israel should be prepared for a gradual withdrawal from Lebanon, in co-ordination with the Lebanese government, and only after the

areas to be evacuated have been occupied by the Lebanese Army. The Lebanese must, in turn, guarantee their ability to keep the peace and to prevent the return of the PLO to those areas.

At the same time, Israel must be prepared to deal with the various political factors in Lebanon with great delicacy and flexibility. And it should strive to develop strong ties throughout the country.

THE SENSITIVE questions that remain are: Will Israel be able to persuade the Americans that rehabilitation and real stability in Lebanon cannot be obtained without a Syrian-Israeli agreement? Can Israel persuade the Americans that it is not only unwise to mix the matter of the Golan into negotiations regarding Lebanon, but that such an admixture might well complicate the negotiations beyond hope of success?

It will take a lot of lobbying and behind-the-scenes persuasion to bring this to the attention of the American public. But as it becomes more evident that the American solution is not achieving its objectives and as America sees itself in danger of becoming bogged down in a Middle Eastern Vietnam, the more willing will be the U.S. administration to seek other options to ensure the stability of the Lebanese central government.

Lastly, consideration must be given to the demand for a unilateral Israeli withdrawal from the Shouf area and a redeployment along a security line some 45 kilometres north of the Israeli border. Such a

step, at its very best, could give Israel only the most temporary advantages.

True, such a redeployment would be more comfortable from the operational standpoint and would remove the Israeli soldiers from the Shouf and from the proximity of the Syrian army, but these factors are not really of any importance.

If the geographic change is not accompanied by a political change, then we might soon find ourselves under exactly the same pressures along the new line.

The Syrians would have no difficulty creating such a situation, and not even necessarily by taking over the evacuated areas in the Shouf. They could do it simply by aiding and abetting the PLO and those Lebanese factions which object to a prolonged Israeli presence in South Lebanon.

The only way to avoid this is for the redeployment of Israeli troops to be accompanied by a political approach aimed at achieving a Syrian-Israeli agreement with regard to the problems in Lebanon.

At present, the climate seems favourable for such an approach to be made, in co-ordination with the U.S. and the government of Lebanon.

SEEN IN PERSPECTIVE, Israel has paid a high price to learn some very important lessons — lessons that could have been learned by a more thoughtful observation and from the experiences of the Syrians in attempting to solve the problems of Lebanon on a "one-two-out" basis.

Now, in the summer of 1983, Israel knows that it does not have any quick solutions to the problems of Lebanon. This is a lesson the Syrians learned in 1976 when they tried to force a *Pax Syriacus* on Lebanon.

What the Israelis and the Syrians now have in common is that they have both learned what the Americans and the Lebanese have not yet learned: that the solution to the problems of Lebanon is a long-term affair.

Whoever even attempts to create some sort of order must be endowed with patience and determination as the delicate fabric of Lebanese politics is repaired.

One other thing the Syrians and the Israelis have both learned is that neither can afford to attempt to eject the other party by force.

The third lesson they have learned is that when it is in their mutual interest, they are capable of maintaining relative peace in Lebanon. They did so and for a time virtually stopped the civil war in Lebanon. Operation Peace for Galilee and its aftermath provided the spark that reignited the internal flames of the conflict.

THIS CONFLICT between the ethnic groups of Lebanon is spreading, and will continue as long as there is a vacuum area between the Syrians and the Israelis. If the Syrians and the Israelis can reach agreement, it is possible to bring this inter-ethnic conflict to an end, and, in the long run, pave the way for a new *modus vivendi* between the factions.

Before the war in Lebanon it would have been difficult to present convincing reasons why Israel should try to instigate direct contact with Syria. The Israeli Army was firmly entrenched, and the Syrians were floundering in the swamps of Lebanon, unable to muster sufficient force to mount any real assault on the Israeli-Egyptian peace treaty. Moreover, Assad's government was perceived as weak and many doubted that there was any value in embarking on negotiations with a leader who, it seemed, would soon be out of office.

Now the tables have turned: no one is talking of Assad's imminent departure; it is Israel that is becoming bogged down in the swamps of Lebanon, and the idea of withdrawal — even without a reciprocal act

by Syria — is becoming increasingly popular.

Israel is also beginning to see that a return to the former "open game" with Syria is not only possible but might, in fact, offer some distinct advantages. This, despite the fact that from 1976 until 1981 it was Syria which, in most cases, was obliged to yield to Israeli demands in order to maintain its position in Lebanon, while now it is Israel which will have to demonstrate flexibility to ensure the continuation of the game.

It is also important that both sides remember that they have already learned one thing: ultimately, Lebanon is not their prime interest and they must take care that what happens in Lebanon does not upset their areas of vital interest.

Through Operation Peace for Galilee, Israel turned Lebanon into an arena in which the various parties contended with one another on the real issues between them.

The Syrians saw the war as being directed mainly against them; as being a U.S.-backed Israeli effort to influence the future policies of the Middle East; as being part of a general attempt to surround Syria and to isolate it from the area of Soviet influence.

Syria's view of Israeli activity, which turned Lebanon into an arena for battles that had nothing to do with Lebanon, is the one thing that stands in the way of a resumption of open relations between Israel and Syria.

The Syrians have said repeatedly that they will leave Lebanon if their security interests there are protected. As for the Lebanese, even those factions which are sworn to "fight to the end" in order to remove the Syrians from Lebanon, will, it seems, accept a Syrian withdrawal under terms that will legitimize and guarantee Syria's security (rather than territorial) rights in Lebanon.

In the Israel-Lebanon agreement, Lebanon has already established a precedent by recognizing as legitimate the "security interests of Israel in Southern Lebanon." By so doing, Lebanon has shown that it will grant the same sort of recognition to Syria. The Syrians have also tacitly accepted the legitimate security, not territorial, interest of Israel in Southern Lebanon as a fact and, in time, will no doubt also accept the Israel-Lebanon agreement.

WHEN TEMPERATURES rise to 30 and more, the plants in your garden need threefold protection to keep alive: shade, mulch and water. This treatment is necessary for annuals as well as the sensitive biennial and perennial plants.

Plants growing in containers can be moved temporarily to a shaded or partially-shaded area, while those growing in the open garden can be shaded by branches or by mats and nets resting on sticks. All flower-bearing garden plants, like roses, dahlias and cannas lilies, and all plants in balcony boxes or other containers should be heavily mulched, using available material from the garden (dry leaves, pine needles, pine cones or stones).

In high temperatures — and especially during hot and dry *hamish* days — you should water your plants more frequently with all the means available: sprayers, watering cans, hoses, drippers and sprinklers.

Cucumber care. In my last column I recommended planting tomatoes, eggplants and peppers among ornamentals in your flower garden. This time my advice is to do the same with beans and cucumbers, which can be also grown in containers and placed in the flower beds.

The cucumber (*Cucumis sativus*, *melafon* in Hebrew) is a warm-weather crop and can be sown in heavy or medium soil (also in sand with red soil and compost added) until the end of August. Seed shops offer different species of cucumbers, some with trailing vines like melons and ivy-like leaves for trellises and fences or bushy types like squash, which may be used in the flower garden or grown in containers. Their bright yellow flowers are very decorative and may be

used among other container-born flower plants to beautify balconies, roofs and patios.

Cucumbers do well in a position of full sun and need frequent watering. The best way to water cucumbers is through trenches or dripping pipes in garden beds or by hose (without wetting the foliage) for containers. Wetting the leaves causes mildew and premature yellowing of the plants. Should this develop, sulphur dust or sepiol spray (a liquid fungicide available at local seed shops) is helpful in fighting the disease. Weekly rations of "manure tea" or superphosphate around the cucumber plants are very beneficial for good cropping.

Sow in 3-4 cm. deep holes, half a metre apart. Thin out later and leave the two strongest plants in the holes. Seedlings which have been removed cannot be transplanted and should be thrown into the compost heap.

Don't let the cucumbers become over-ripe on the vine and turn yellow. Pick them before they get too large; this is when they are tastiest.

The bean scene. Beans, *Phaseolus vulgaris*, *she'ul* in Hebrew) can be grown during July in all areas with heavy or medium soil. What we call the French or kidney bean is of American origin, and was introduced into Europe in 1597. There are two sorts: the compact dwarf bush and the climbing variety. The flowers are usually white, but some types have mauve or purple blooms.

French beans are mainly grown for their tender, immature pods, and most gardeners grow green-podded species. Yellow-podded French beans have a reputation for early cropping and purple-spotted

Life-saving protection

GARDENER'S CORNER / Walter Frankl



Ants collecting violet seeds. Inset: An enlargement of the violet seed capsule.

pods change to bright green during boiling.

If bean-pods are not harvested when young and tender, they produce a "string" which has to be removed before cooking. Younger pods lack this "string," and a new stringless bean is now available.

Beans need an open, sunny site in the garden, away from large trees

and well-established hedges. They do not crop well in an acidic soil. Sow beans in rows 3-4 cm. deep and 5 cm. apart. Thin out after germination, leaving 20-25 cm. between plants. Beans are thirsty plants, requiring regular waterings. A mulch will prevent the sun and wind from drying out the soil and help provide necessary moisture.

Fertilizers based on organic matter, such as animal or chicken manure, bone-meal, fish residues or guano are preferable for use with bean plants than the quicker-acting inorganic (chemical) fertilizers.

Patience is its own reward. You can still root top cuttings from chrysanthemum plants (about 10-15 cm. long) in pure sand or vermiculite. Water them daily (twice daily on very hot and dry days) and keep them in total shade. And don't lose patience — the rooting may occur after six to eight weeks only. If you stick to the rules, your cuttings will bloom late this autumn.

For longer blooming of pansies, get up early every morning and remove all faded or partly faded flowers and feed (once weekly) with a weak solution of any fertilizer.

Cut all Shasta daisies (large white marguerites) down to ground level after the flowers fade; spread some superphosphate among the plants and water twice a week. Thin out and replant in autumn or early spring.

Violet, sweet violet. The violet (*Viola odorata*, *sigal rehaneh* in Hebrew), one of the oldest cultivated plants in the world, is especially loved for its scent.

"I shall return in springtime with the violets," were Napoleon's parting words as he left his beloved France for exile. And return he did, laying a posy of his favourite flower on the grave of Josephine, his first wife.

Viola odorata, the sweet violet, which legend says first sprang beneath the shadow of Orpheus' lute, grows wild in the forests of Europe and has been celebrated throughout history. Once the state flower of Athens, later Napoleon's

symbol, it was also the favourite of England's Queen Alexandra, who introduced the fashion of wearing an entire bunch of them pinned to her costume.

Violets grow best in partial shade and require a well-cultivated, loose humus soil. Start planting violets early if you want full bloom in early spring.

A purple (sometimes also white and pink) very fragrant, low-growing, perennial groundcover, the violet is propagated by rooted runners and the division of old plants. Mother plants, after flowering, send rooted shoots in all directions. Every rooted shoot is a potential new plant.

Due to the ever-present, busy ant there is also a natural, "accidental" way of propagation by seeds. The ants collect violet seeds from cracked seed capsules and transport them to their heaps. During transit, they drop the seeds which they are not interested in (they want only the sweet-tasting appendages as a delicacy for their offspring). The abandoned seeds germinate after the first rains in autumn, marking the ants' route by lines of young violet plants.

These can be also used for propagation — but they will flower only the following year. Prepare violet plants in late summer; keep them in small tins in complete shade; water them daily and set them out in flower beds or containers in autumn to get a richly-coloured flower show next spring.

Sabra hydrangeas. The appearance of hydrangeas propagated in Israel at most of our nurseries and in urban florist shops prompts me to tell you a little more about this most decorative house and garden plant.

The hydrangea (*Hortensia*, *macrophylla*, *hortensia* in Hebrew), will bloom for a long time if kept well-watered and out of direct sunlight. Up to two years ago, these were rare plants in Israel and were mostly imported from Holland. Now that their numbers have increased Israeli amateur gardeners and plant-lovers should learn how to deal with them.

The hydrangea was discovered in China in 1767 by Dr. Philibert Commerson, a French physician and botanist. He called it "hortensia," in honour of his bride, Miss Hortense Baaré. The botanical name derives from the Greek word *hydra* (water) and *ageion* (container). The first hydrangea in Europe was planted in London's Kew Gardens in 1789.

Hydrangeas should be exclusively watered with lime-free or slightly acidic water. This can be achieved by adding a peat solution to the watering can. Since you have to water your hydrangeas during the whole summer once, or even sometimes twice, daily, you need a sufficient quantity of "peat-tea" which should be prepared in a bucket for frequent use.

After your plant has finished blooming, cut back all the stems with faded flowers and replant the hydrangea in compost soil with tuff-hagolan gravel and peat additions. Place the container in a shaded position. Stems that have not bloomed will often flower the same summer. Cut the hydrangea back in winter, mulch with dry peat-moss and place it in a spot protected against strong winds and frost.

Hydrangea flowers are white, pink and (with additions of aluminium sulphate) also light blue. Propagation is by stem cuttings in late autumn.

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GIVE SOLDIERS LIFTS

U.S. says no need to redraft world financial structure

GENEVA (Reuters). — The U.S. defended institutions such as the International Monetary Fund (IMF) and the World Bank and said it was not necessary to restructure the world financial system to cope with the current Third World debt crisis.

The U.S. ambassador to the UN Economic and Social Council (ECOSOC), Josef Orzano, attacked calls for a remoulding of the international financial system as "proposals which could have devastating effects on the world economy, particularly the economies of developing countries, which are heavily dependent on access to foreign capital."

Concern over the current crisis was real and justified, he said but "we face today what is overwhelmingly, though not entirely, a short-term liquidity problem."

"The existing financial mechanisms, including the International Monetary Fund, the World Bank, the Bank for International Settlements and the commercial banking structure, are proving themselves capable of dealing with the problems and have skillfully averted disaster," the ambassador said.

They were not rigid and inflexible institutions, as some people claimed, he added, but were imaginative, innovative and aware of problems. He noted that there were signs pointing to an amelioration of the debt crisis.

Meanwhile President Ronald Reagan, stating that current international debts pose "grave risks for the U.S. and world economies," urged Republican members of Congress, Thursday to support his request to increase the appropriation for the International Monetary Fund by \$8.5 billion.

"No legislation now before Congress is more important to a healthy world economy and to a continuing economic recovery here in the U.S.," he said in a written statement. "If the IMF is not in a position to help countries help themselves, our economic recovery could be aborted and unemployment start rising again."

The measure, approved by the Senate, is up for House consideration this week.

The fund has forecast that the developing countries' debt to foreign governments and international banks will rise to \$664.3 billion this year from \$612.4b. in 1982.

Brazil gets a breather on its international debt

BASEL, Switzerland (AP). — The Bank of International Settlements has informally extended the deadline for repayment of a \$400 million instalment due last Friday on a loan to Brazil, the world's most heavily indebted nation.

A bank announcement said that while the Brazilian central bank had announced that it was unable to make the repayment, the Inter-

national Monetary Fund was understood to be "encouraged" by the latest austerity measures by the Brazilian authorities.

This, the announcement said, "gave rise to hope that it will soon be possible to reach detailed agreement between the fund and Brazil with a view to resuming disbursements under the IMF's loan programme."

Extra training grants for army veterans

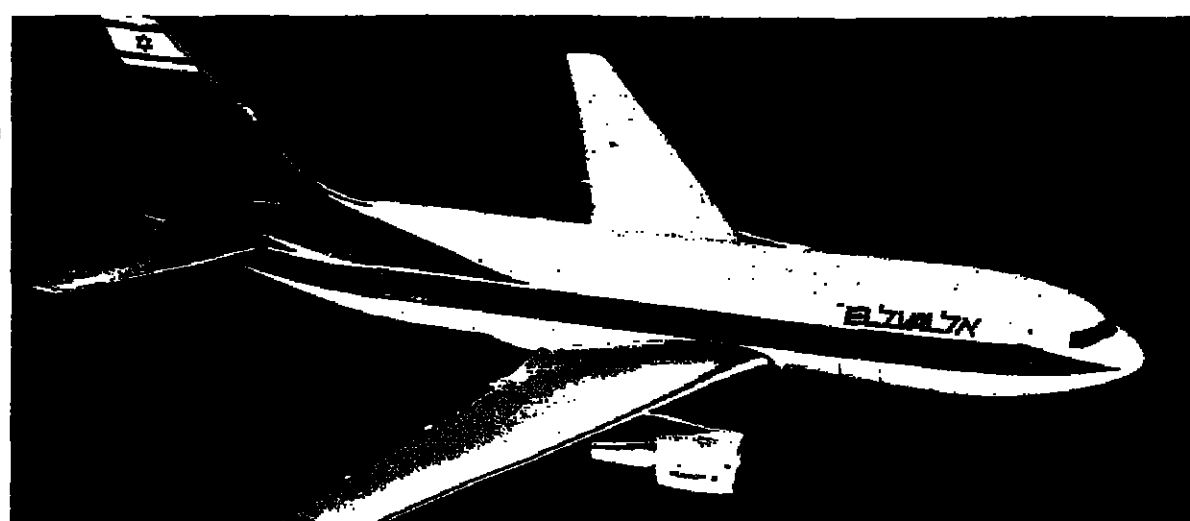
Jerusalem Post Reporter

Soldiers who have volunteered for an extra tour of duty following their compulsory service are now eligible for incentive payments from the Ministry of Labour and Social Affairs if they take part in ministry-sponsored vocational training courses.

The ministry spokesman announced yesterday that the IS14 million for the programme in its first

year has been provided by the fund for preventing unemployment, that operates under the National Insurance Institute.

Soldiers who leave the IDF after an extra tour of duty are not eligible for automatic unemployment grants, as are soldiers demobilized after their initial service. The new measure is intended to compensate those who have done an extra period of service while encouraging them to learn a trade.



Model of the new Boeing 767 bearing the El Al insignia.

El Al gets first of fuel-saving Boeing 767 models

Special to the Jerusalem Post

TEL AVIV. — The arrival at Ben-Gurion Airport tomorrow of the first of El Al's four Boeing 767 aircraft marks a new era for the national airline. The 767 is a new-generation aircraft, whose 35 per cent saving in fuel means the saving of many millions of dollars a year.

A major innovation of the model is the two-aisle passenger cabin. For airlines such as El Al, the twin-engine 767, which has only a two-man flight deck crew, offers a long awaited opportunity to provide service at minimal cost.

With a basic passenger capacity of 211 — 18 in first class and 193 in tourist class, the 767 can be adapted to carry 290 passengers in all-tourist class or for charter operations.

Production of the 767 began in 1978 and the first deliveries to airlines were made in August 1982. EL AL, which has always operated an all-Boeing fleet, is the first airline in Europe and the Middle East to acquire the new aircraft.

One of the outstanding features of the plane is its low noise level. Its passenger cabin is four feet wider than the older six-abreast aircraft, such as the 707s.

Ministry Negev full of empty apartments

BEERSHEBA. — A high-ranking local Housing Ministry official said that hundreds of apartments are empty in the Negev region, following the Defence Ministry's change of plans for the army's redeployment in the area.

He said that 300 apartments in Mitzpe Ramon are empty because the Defence Ministry cancelled its lease on them, and 300 more are under construction. In Dimona, he said, 650 apartments stand empty.

U.S. airlines show big losses as they struggle to recover

NEW YORK (AP). — Trans World Airlines added grim financial news Friday to that issued by Eastern and Republic a day earlier, but analysts said most of U.S. airlines are climbing towards recovery.

TWA reported a \$108.9 million first-half loss, a day after Eastern Airlines announced record losses in the first six months. Republic Airlines, expected to report a similar loss, asked its employees for another wage cut, the fourth in two years.

Charles Hanneman, airline analyst with Thomson McKinnon Securities Inc., said he expects the industry to show smaller losses for the second quarter and maybe a "minus-loss profit" compared with a year ago.

"By all appearances the industry is in a recovery phase," he said. The main reasons for hope are an improving U.S. economy, that is encouraging more travel, and a decline in fuel prices of 8 to 9 cents a gallon, said George James, chief economist for the Air Transport Association.

Fuel is typically 30 per cent of an airline's overhead. A rule of thumb is that a cent-a-gallon drop saves the major airlines a total of \$100m. a year.

But analysts cautioned that problems could return, especially if there is another fare war after early September, when traffic drops.

TWA and Eastern blamed discount fares for their latest losses, saying they had no choice but to match cuts by competitors.

Republic Airlines, anticipating a \$100m. loss for the first half, asked its 14,700 employees to accept a 15

per cent wage cut at least through next May. Union members are expected to accept the cut.

Republic, which lost a record \$59m. in the first quarter, has not shown a profit since 1979, the year it was formed through a merger of North Central Airlines and Southern Airways.

TWA said its net loss for the second quarter was \$16.2m. compared with a profit of \$25.6m. in 1982. The 1982 profit, however, resulted from a one-time gain of \$30m. on the sale of tax credits and used planes.

TWA lost \$108.9m. in the first six months, compared with an \$84.7m. loss in the first half of 1982.

Eastern has not reported a profit since 1979 and has lost a total of \$242m. from 1980 through June.

WHAT'S ON

Notices in this feature are charged at IS185.10 per line including VAT, inserted every day except AS185.00 including VAT, per month. Copy accepted at offices of The Jerusalem Post and all recognized advertising agents.

MUSEUMS

Israel Museum. Opening Exhibition (Tue., 19.7 at 8.30 p.m.): From "Pong" to Home Computer: survey of computer history. Continuing Exhibitions: China and the Islamic World. Ceramic Influences; George Segal, sculptures; Photographs of Manuel Alvarez Bravo; Oil Lamp Section: Permanent Collection of Judaica; Art and Archaeology: Primitive Art from Museum Collection; Looking at Pictures: Permanent Exhibit in Pre-historic Hall; Farinelli and Albertini sing Vivaldi (18th cent. Venetian opera caricatures). Special Exhibitions: New 5th century Byzantine Church mosaic; Torah Pinak (Kilmoryn) produced in Spain by Yemike Jewish goldsmith at beginning of 10th century; Rockefeller Museum: Judean Kingdom Fortress at Kadesh Barnea; Wonderful World of Paper (Paley Centre next to Rockefeller Museum). Visiting Hours: Main Museum 10-5, At 11: Jewish tour in English, 11 and 3.30. Film 2.30. Recording from the Berlin Festival: "Chitty Chitty Bang Bang" 2. Special screening of film on sculptor George Segal, 3.30. Special guided tour of Shrine of the Book.

CONDUCTED TOURS

HADASSAH. — Guided tour of all installations in Berlin. A. R. Penck Expedition to the Holy Land (Graphic Portfolio). Helmut Lesky: Photographs 1910-1947. Collections — Impressionism and Post-Impressionism. 20th Century Art. Israeli Art: New Acquisitions 1982-83. 11 Sculptures and Trypich — by Ignar.

Visiting Hours: Fri. closed. Sat. 10-2; 7-10. Sun., 10-10. Helena Rubinstein Pavilion. Visiting hours: Sun., 9-1; 5-9. Sat. 10-2. Fri. closed.

TEL AVIV

MUSEUMS

Tel Aviv Museum. Exhibitions: Expressionist Buchheim Collection. Jewish Expressionism in Berlin. A. R. Penck Expedition to the Holy Land (Graphic Portfolio). Helmut Lesky: Photographs 1910-1947. Collections — Impressionism and Post-Impressionism. 20th Century Art. Israeli Art: New Acquisitions 1982-83. 11 Sculptures and Trypich — by Ignar.

Visiting Hours: Fri. closed. Sat. 10-2; 7-10. Sun., 10-10. Helena Rubinstein Pavilion. Visiting hours: Sun., 9-1; 5-9. Sat. 10-2. Fri. closed.

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REHOVOT

The Weizmann Institute. Grounds open to public from 8.00 a.m. to 3.30 p.m. Visitors invited to see audio-visual programme on Institute's research activities, shown regularly at 11.00 a.m. and 3.15 p.m. Friday 11 a.m. only. Tours of the Weizmann House every hour from 10.00 to 3.30 p.m., Sunday to Thursday. Nominal fee for admission to Weizmann House. No visits on Saturdays and holidays.

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T A M E N T
L A S T
BUCKLE UP
E O A N A E W
RINGFALLS TORO

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ACROSS: 1 Mission, 5 Arica, 8 Upset, 9 Amphora, 10 Tolerable, 12 Age, 13 Chummy, 14 Brandy, 15 AKA, 16 Trapping, 18 Imbibe, 21 Proxy, 23 Alert, 24 Swaddle. DOWN: 1 Mounth, 2 SOS, 3 Interim, 4 Nearby, 6 Ampie, 8 Isolation, 9 Sumpily, 11 Laughable, 13 Caralis, 15 Replica, 16 Bendit, 18 Tibet, 19 Scire, 22 Old.

KEEP ISRAEL BEAUTIFUL!

Ben-Yakar opposes tax hikes

By MACABEE DEAN
Jerusalem Post Reporter

TEL AVIV. — Increasing taxes will have several consequences — all bad, Avner Ben-Yakar, chairman of the Federation of Israeli Chambers of Commerce, said yesterday. "First, higher taxes will dampen the will to work and produce, second, the country's economic growth will be slowed down, and third, higher taxes will increase the 'incentive' to become a tax dodger."

Ben-Yakar also rejected another method now being discussed as a means of alleviating the country's economic ailments — a massive devaluation of the shekel. "This will

only cause prices to soar, thus fanning the inflationary spiral.

"There is only one tried and tested way of improving the situation in Israel, a drastic cut in the budgets of the government and the public sector — budgets which are wasteful." The government must understand that the business community cannot possibly continue to bear the huge financial burden being imposed on it. He added that if the country's problems were really to be solved the huge cuts in the budgets of the government and public sectors should be accompanied by a package deal, which would stabilize taxes, prices, wages and the currency.

Self-employed pressure Liberal Party

By LEA LEVAVI
Jerusalem Post Reporter

TEL AVIV. — Liberal ministers and MKs may lose their seats in the next election if they do not do a better job of protecting the interests of the self-employed, representatives of the union of self-employed and private enterprises in the Liberal Party said at a press conference here yesterday.

"The Peace for Galilee loan taken from a self-employed person was three times higher than that deducted from the salary of a wage-earner making the same amount," former deputy finance minister Yehzekel Flomin said.

"In view of the special circumstances, that legislation was enacted quickly and there was no time to correct the inequity. But we want to serve notice that we will not tolerate our representatives voting for legislation which discriminates

against the self-employed," Flomin said.

The union is worried about new taxes. "The fact that everyone insists there will not be new taxes is part of what has us worried," Flomin said.

Yehoshua Nehari, chairman of the merchants association, said Israel's merchants have reached 10 per cent taxation and cannot pay any more. "If the government thinks it can solve its problems by taxing us further, it better think again," he said.

New Mizrahi branches

TEL AVIV. — The United Mizrahi Bank this week opens a branch in the commercial centre in Ashdod to be followed next week by two branches in the Jerusalem area. One is at Telshet-Stone, in the Jerusalem corridor, and the other in the new commercial centre in Gilo.

ENTERTAINMENT

TELEVISION

EDUCATIONAL:

9.00 Telepele — houses

9.25 Learn to play a musical instrument: harmony; the bassoon

9.40 Grasshopper Island — drama — parts 5, 6

10.05 Dominic: drama — part 12

10.30 Sport — summer programmes

11.10 Art Magazine

11.45 That's It — love youth magazine, including Yvona Banai; pets' corner; film interviews

12.00 A New Evening — live magazine

CHILDREN'S PROGRAMMES:

17.30 Different Strokes

18.00 The Dum Busters

ARABIC-LANGUAGE programmes:

18.30 News roundup

18.32 Sports

19.27 Programme Trailer

19.30 News

HEBREW PROGRAMMES resume at 20.00 with a news roundup:

20.03 Isha B'Av programme

20.30 The archeologist digs in the Old City of Jerusalem

21.00 Mahat Newsweek

21.30 Discussion in the Burnt House — programme on the Second Temple

22.00 Recording from the Berlin Festival: Symphony No. 1 — Jerusalem — by Leonard Bernstein. Performed by the Israel Philharmonic Orchestra

23.10 News

JORDAN TV (unofficial):

17.30 Cartoons 18.00 French Hour 18.30 (TV 3 The Muppet Show) 19.00 News in French 19.30 News in Hebrew 20.00 News in Arabic 20.30 Taxi 21.10 Freedom Hour 22.00 News in English 22.15 Musical Hour

ON THE AIR

Voice of music

6.02 Musical Clock

7.07 Bach: Suite No. 5 (Rampal): Corelli: Concerto Grosso; C.P.E. Bach: Trio Sonata; Weber: Der Freischuetz Overture; Liron Agel, Mevavi; Wienerwalski; Polonaise (Ricci); Mozart: Piano Concerto No. 27, K.595 (Alicia de Larocha, Solist); Smetana: Quartet No. 2; Bartok: Sonata for 2 Pianos and Percussion (Marta Angerer, Stephen Bishop); Rimsky-Korsakov: Scene from Sadko; Sibelius: Violin Concerto (Baris Belkin, Philharmonia, Ashkenazy); Brahms: Serenade No. 1, Op. 11 (London Philharmonic, Boult); Beethoven: String Quartet Op. 127 (Tullius, Schubert); Symphony No. 4 (Israel Philharmonic, Meital)

12.00 The Guitar — Bach: Prelude and Courante from Suite No. 6; Rodrigo: Concerto of Aranjuez; Handel: Sonata in C; Rodrigo: Fantasy for the son of an ardent

13.05 Musical Greetings

15.00 Musical Magazine

15.30 Youth Concert — Jerusalem Symphony Orchestra, Children sing Liturgical — Liron Agel, Herzliya Educational Institute, Ramot Kfar Hiron Choir; Kibbutz Mizra Choir — Dan Kaner presents

16.37 Jerusalem Symphony Orchestra — Mendelssohn: Symphony No. 3 (Darius Fourné); Grieg: Piano Concerto (Rami Viner, Janus Furer); Rouseff: Spider's Feet (Hilma Sundant)

18.00 Live Broadcast — Haya Livni, violin; Rima Nudis, piano — music by Hummel, Schoenberg, Stravinsky, Beethoven

CINEMAS

Films listed for information only. Most cinemas closed tonight, see Tisha Ben.

JERUSALEM 4, 7, 9

Edeas: Kuni Lemel in Cairo; Edeas: Octopus 3.45, 6.30, 9; Habib: Flying High (Sequel); Kfir: Sabab; Mithel: Sophie's Choice 7.9; Orgit: Herbie Goes Bananas; Orion: Return of the Jedi 4, 6.30, 9; Orna: Gold Raiders; Ram: Semadar; Frances 7.9; Blayel: Ha'uma; Sophie's Choice 6.15, 9; Israel Museum: Chitty Chitty Bang Bang 11, 3.30.

TEL AVIV 4.30, 7.15, 9.30

Albany: Trinity; Ben Yehuda: Bad Boys; Che 1: Sophie's Choice 6.30, 9.30; Fox and the Hound 11, 2.40, 7.30, 9.35; Che 2: Man From Snowy River 11, 2, 4.30, 7.15, 9.35; Che 3: Fox and the Hound 7.20, 9.35; Jungle Book, 4.30; Che 4: Diner 7.15, 9.35; Herbie Goes Bananas 11, 2, 4.40; Che 5: Canyons Row 7.05, 9.30; Che 6: Raiders of the Lost Ark; Dekel: M.A.S.H. 7.15, 9.30; Drive! First Blood 10 p.m.; Secret of Nymph 8.30; Esther: La Boute 11 4.30, 7.30, 9.30; Gai: Officer and a Gentleman 4.30, 7, 9.30; Gordon: Dudes Ka-Den 4.30, 7, 9.30; Had: Private Manoeuvres; Lev: Final 1.30, 4.30, 7.15, 9.30; Lev: The Tragedy of a Ridiculous Man 1.30, 4.30, 7, 9.30; Limer: Annie Hall 7.15, 9.30; Heidi's Song 11, 4.30; Max: Lagoon in the Blue Islands; Nograbi: Tootsie 7, 9.30; Only 9: Boy Takes Girl 11, 4, 6, 8; Pardo: Plague Dogs 10, 12, 2, 4, 7.15, 9.30; Peer: Kuni Lemel in Cairo; Shafar: Return of the Jedi 4, 7.

9.30: Studio: Man, Woman and Child; Tishit: Frances 6.30, 9.30; Tel Aviv: Copsey 4.30, 6.45, 9, 9.30; Tel Aviv: Yot: Tanya: Eighty Three 10 p.m.; Zee: Pauline a la Plage

HAIFA 4, 6.45, 9

Amshel: Officer and a Gentleman 6.30; Amphibians: Sound of Music 4; Arnon: Octopus 4, 6.30, 9; Aron: Return of the Jedi 4, 6.30, 9; Chei Kuni Lemel in Cairo; Gai: First and Ten; Clava 12, 4, 8; First Blood 10, 2, 6; Ha: Mithel: Theatre: Young Doctors 6.45, 9; Kani: Or American Gigolo 6.45, 9; Herbi: Mithel: Young Doctors 6.45, 9; Orna: Tootsie 4, 6.30, 9; Orion: Intimate Love 6.30; Orion: Sophie's Choice 9; Fox and the Hound 11, 4, 6.30; Peer: Pink Floyd the Wall; Ram: Sabab 4, 7, 9; Shavit: Kuni Lemel in Cairo 7, 9

RAMAT GAN

Arnon: Officer and a Gentleman 7, 9.30; Lily: Gandhi 3.30; South Sea: Vimb 4, 7.30; Orion: Sophie's Choice 9; Fox and the Hound 4, 6.30; Orion: Private Manoeuvres 7.15, 9.30; Ramat Gan: Return of the Jedi 4, 7, 9.30

HERZLIA

David: Kuni Lemel in Cairo 7.15, 9.30; Tishit: Anne 7.15, 9.15

ROI ON

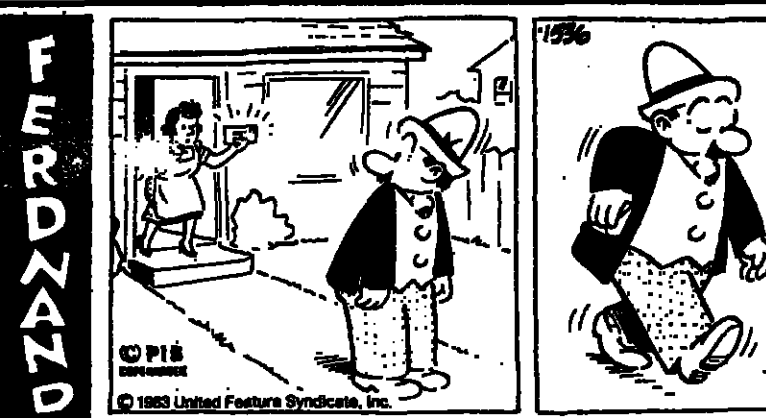
Mithel: Officer and a Gentleman 6.30, E.T. 4.30, 7.15; Sophie's Choice 7.15, 9.30; Muppets in Hollywood 9.30

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Herald Tribune

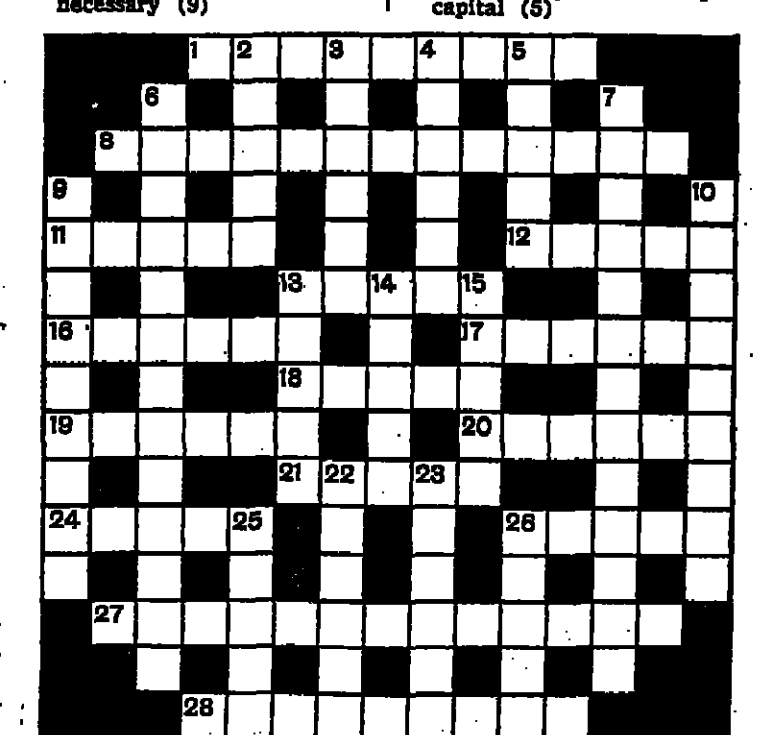
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ONE-AND-ONE CROSSWORD

- 1 Shavian play most upsetting (5, 4)
- 8 On a par with letter writing (13)
- 11 French and English articles on which Turner works (5)
- 12 Takes minced meat (5)
- 13 Irritable burden of life (5)
- 18 Chest? Sounds as though he suffers from a bad one (6)
- 17 Mathematical quantity providing alternative to decimals (6)
- 18 Green makes an appeal to avoid death (5)
- 19 Put behind bars. With a hair-raising proposal! (4, 2)
- 20 Racial revision of the National Insurance Contribution (6)
- 21 Stewed pears hurried by savage types (5)
- 24 Take notice, but avoid retirement (3, 2)
- 26 Upright pillar of forged steel (6)
- 27 Traffic offence BQ people leave with reservation (7, 6)
- 28 Being Latin revision, it is necessary (9)
- DOWN
- 2 Prize money bag (5)
- 3 Landlord proposing minor alternative (6)
- 4 Greek actors in play about hawk-headed god (6)
- 5 Journeys on horseback in Brideshead (5)
- 6 Adding spirit to the defence (15)
- 7 Footnote awaiting execution (5, 6)
- 9 Prohibit an apartheid register (9)
- 10 Spacecraft which goes up on 5th November (6-8)
- 13 Whips corps into shape (5)
- 14 Express view that nothing is supported by the deal (5)
- 15 Bovine guide (5)
- 22 Jump equal to 16 pence a pound? (6)
- 23 Alms to distribute nearly (6)
- 25 Nudges old bags (5)
- 26 If so change to a European capital (5)



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- Beersheba 78333
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- Holon 8031334
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- Nazareth 54333
- Netanya 23333
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- Ramat Gan 51333
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Ari Rath
Editor and
Managing Director

THE JERUSALEM
POST

Erwin Frenkel
Editor

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Av 8, 5743 • Shawwal 8, 1403

Was this rebuff necessary?

THE INITIAL comment from the Prime Minister's Office yesterday on the report about a message from King Hussein to Premier Menachem Begin last week was a denial. There had been no personal message of any kind from the Hashemite king expressing his willingness to enter into peace discussions with Israel, said Mr. Begin's communications adviser Uri Porat.

Strictly speaking, this was true. There had, indeed, been no such personal message, and Mr. Begin was not obliged to respond to it personally. But there had been, as cabinet secretary Dan Meridor confirmed, a message conveyed by Minnesota Attorney-General Hubert Humphrey III, the late vice-president's son, and Mark Siegel, President Carter's one-time liaison officer with the American Jewish community, who had met with King Hussein in Amman.

Mr. Begin reported on that message to the cabinet. The ministers, it was said, attached no great importance to it. Evidently they were reflecting the premier's own reaction.

As summarized by Mr. Humphrey in a radio interview yesterday, the Hussein message indeed sounded pretty vague and thin. The king was mindful of the changing circumstances — primarily, it appears, the weakening of the PLO as a result of the Lebanese war and the recent rift within its own ranks. He thus recognized the responsibility of his own government to enter into negotiations with Israel.

These negotiations would presumably be based on the Camp David accords. Whether any role would, as far as he was concerned, be assigned to the Reagan Plan, was unclear. But there were grounds to assume that King Hussein was no longer so ready to bow to a PLO veto on talks with Israel, as he had done last April.

A more ringingly affirmative declaration of Jordan's desire for peace would have been welcome. But considering the amount of pressure on Jordan, not least from its northern neighbour, Syria, to junk any notion of peace, the Hussein message could nevertheless have been held up officially as something worth exploring. Instead it was dismissed as nothing new — merely a repetition of what King Hussein had told Secretary of State George Shultz during the latter's recent brief stay in Amman.

But why should its being repetitive be held against the Hussein message? Why, indeed, should the message be treated as a virtual embarrassment?

Perhaps because it suggests that Jordan might, after all, be ready to take the role assigned to it under the Camp David accords on the understanding that the interim arrangements for Judea, Samaria and Gaza would indeed be temporary and would not foreclose all political options except permanent Israeli dominion over the territories. On this understanding Israel's government is not particularly eager to enter into talks with Jordan, any more than it is anxious to resume the discussions with Egypt.

Jordan, in this view, would be a welcome negotiating partner only after the spread of Jewish settlement had sealed the status of the territories as part and parcel of Israel.

A Jordanian initiative, especially a serious one, at this time would only help expose the gap between this country's undertakings at Camp David and its practice on the ground. It is therefore untimely.

A welcome reform

THERE IS some good news. The newly appointed president of the Israel Defence Forces Court of Appeals, Aluf David Maimon, will be the last non-jurist to serve in that post. In three years' time, when he completes his tour of duty, he will be replaced by a professional jurist.

This is one aspect of the agreement just concluded between Justice Minister Moshe Nissim and Defence Minister Moshe Arens. If it receives the consent of the Knesset, as is reasonable to expect, the agreement will go a considerable way towards implementing the Shamgar Committee recommendations on military justice.

The Shamgar Committee submitted its recommendations five years ago. They were perfectly sensible recommendations but met with fierce opposition. Perhaps the most heatedly opposed was the suggestion that the chief of staff, and other senior officers, be stripped of their right to commute sentences passed by military courts. The then chief of staff, Rafael Eitan, would not give up his right to commute the sentences of soldiers found guilty of murder.

Now, at long last, a reform is in sight. It is a pity that it has had to wait so long.

Correction

In yesterday's editorial the ethnic and political character of east and west Beirut were inadvertently reversed. The wayward phrase should have stated: "The Moslems ruled west Beirut and the Phalange the east..."

POSTSCRIPTS

PS. ATTENTION diplomats. Little eyes are watching, little ears are listening, little feet are waiting. Yes, rats are in the woodwork, and in the cafeteria, too, at the U.S. State Department in Washington.

So, in the official words of a departmental bulletin, "total cooperation of all employees, in addition to the actions of responsible officials carrying out rodent control assignments, must be marshalled."

In other words, department employees, who deal daily with problems of diplomacy and foreign policy, should wage war against the

rodents and should make certain they don't contribute to their agency's rat problem by leaving food in their offices.

"The appearance of rodents in a building is an unpleasant and disquieting experience," the departmental bulletin said in reporting recent "Observations of Rats in the State (Department) Cafeteria."

So far, neither poison, nor traps, nor other efforts to keep the rats away has stopped the rodent invasion, the bulletin said.

FOR TWO-AND-A-HALF years, from November 1979 to March 1982, I worked, under difficult conditions, as the operator of the national toxic waste site in Ramat Hovav. Thus I was shocked by the article "Sitting on a toxic time-bomb" (*The Jerusalem Post*, June 10, 1983). It gave a confused account of the chemical waste situation in Israel, one that only partly reflects the truth. The repeated references to the Ramat Hovav site were grossly tendentious and misleading, evidently copied from statements by some of the bureaucrats who undermined the project from the start and eventually brought it grinding to a halt.

It is a pity your reporters did not also interview me, at least for the sake of fairness. Subsequent instalments were even worse. I cannot leave unanswered the repeated slanders while nothing is said about the useful work we managed to do in spite of a vicious campaign against the project and against our company, which began early in 1980 and continued until the closure.

The project was condemned from the start by the jealousies and antagonisms of the government ministries concerned, as well as by the malice of certain industrial companies, who had wanted it for themselves. My supervisor in the Ministry of Industry and Trade told me repeatedly to keep on working, not to waste time fighting attacks and smears and to "keep a low profile" — an old-fashioned Jewish ghetto attitude. I am now breaking three years' silence: the time has come to get the record straight and to bring a more objective picture to the public eye.

THE INTER-MINISTERIAL Committee on Toxic Waste (IMCTW) sat for some years prior to 1979. It was clear that collectively they did not have a great deal of information on the subject. Each of the ministries involved (Interior, Health, Agriculture, Industry) hired its own expert to do a survey of toxic wastes in Israel: they produced reports containing very divergent results. Not all industries took the inquiries seriously, and many of those who did were carefully evasive with their replies.

Based on these reports and on informed guesses, the IMCTW published its findings towards the end of 1978. It is very interesting to note that "acid tar" waste from oil refining was not even mentioned. This black, slimy acidic sludge with a pungent odour of sulphur dioxide was at that time being dumped in various places (some recorded, some known only to the truck

The toxic waste fiasco— who was really to blame

The first of two articles by Joshua Jolles, the chemist who operated the Ramat Hovav disposal dump

drivers) with the acquiescence of the authorities, who had no solution to offer. During our two and a half years of operation, we received 9,500 tons of "acid tar," some 90 per cent of all wastes collected. Imagine where that would have gone — and where it is going today.

In any case, I conducted my own survey and forecast quantities of 10,000 tons (all wastes) in the first year and 15,000 in the second. I did not take into account the non-cooperation of the Ministry of Health and the paralysis of other authorities in bringing polluting industries into a framework of notification and collection of wastes such as exists in other industrialized countries.

The committee rightly recommended the formation of a governmental company to tackle the problem, but this was vetoed at higher levels. At the same time, there was strong opposition to any of certain major industrial groups taking on the project, so it was decided to give it to a small independent operator. The project was to be "economically self-sufficient." There was no budget from which it could be subsidized. Even the modest cost of preparing the Ramat Hovav site was diverted from other development budgets. Actually, if there had not been some bold spirits in the Ministry of Industry who were ready to do something for the industry, nothing would have been done at all for several more years.

I HAVE often been asked why I accepted the site without a paved road, without a water supply or electric power; without equipment and without a telephone. The reasons were simple.

Before 1979 I had repeatedly trudged the corridors of the Ministry of Industry, seeking two dunams in an isolated spot for the purpose of destroying dangerous substances discarded by research institutes and carrying out my research and development work on recycling of waste. I was repeatedly

put off. Suddenly, after the publication of the committee's report, I was called in one day and told, "You are just the man we are looking for. Forget about your two dunams. We want you to manage a hundred dunams for us!"

I could not refuse such an offer if I wanted to make a start with the project. Secondly I hoped that from such primitive beginnings, we would build up gradually, from revenues, a small simple plant and progress from that to a complete modern waste-disposal and recycling plant — once we had obtained conditions which would attract investment.

By starting this project on a shoestring, putting very little burden on national resources, we were actually going to do some good by immediately diverting to one approved site most of the obnoxious wastes which were being left like landmines all over Israel. I was naive. Not only was there no budget, but there was not even a guarantee of enforcement of the existing anti-pollution laws, and no formal contract with the government other than a contract to rent the site from Mivnei Ta'asia.

Nor was I aware at the time that the main protagonists (Dr. Maronov, Dr. Shinar and the many-headed Hydra of the Health Ministry) were at loggerheads over the concept of the toxic waste site. The Health Ministry would have preferred the concept cherished by Mivnei Ta'asia, to have a couple of hundred million dollars with which to build a sophisticated modern plant on the Swiss model.

This was a very worthy aim except that it was extremely difficult to plan for unknown quantities and types of waste — and there was no budget anyway! Health Ministry officials made pious noises about toxic wastes but never had a positive contribution to offer, and they certainly were no help in setting up the project. Industries were under threat of closure because of their wastes, and one regional health inspector was heard to say, "I don't care if they all close down. That will be less problems for us!"

Although two or three years of hardship were to be expected, I was unprepared for the level of antagonism which emanated from the Health Ministry and — incredibly — from the Environmental Protection Service. They should have welcomed enthusiastically any step that would put an end to the anarchy of dumping, which was then beginning to assume threatening proportions. I learned later that certain senior members of the EPS were not even on speaking terms with the sponsors of the project in the Ministry of Industry and Trade.

THE BEERSHEBA functionaries of the Health Ministry appeared to give the project their blessing. They visited the site at its opening and on many other occasions without complaints. On August 10, 1980, following a hostile smear by a TV reporter they did an about-face.

All the while they were busy stabbing the project in the back by giving the major chemical producers in their area repeated extensions of "temporary permits" to dump wastes in alternative sites — without fences, guards or warning notices.

Some of these sites are located in the Ramat Hovav area, about 3-4 kilometres west of our site, and are freely accessible to everyone, especially Beduin and their flocks. It is argued that the Beduin should not be there anyway: they are being driven out of the industrial area. This is, however, no excuse for the manner in which these dumps have been managed. It is surprising your reporter did not visit these sites, for the sake of objectivity. This convinces me that the articles were a regurgitation for pre-digested material whose sources are identifiable from the phraseology.

It was easy and opportune to divert attention to our newly-opened site instead of dealing fundamentally with the scandalous environmental pollution that goes on in the Beersheba area. A frightening example is to be found in Arad, just celebrating its 20th year. The managers of a factory producing

arsenic compounds had stored solid waste containing 2 per cent arsenic in their backyard for some time with the knowledge of the authorities. The firm's managers objected to spending money on the transfers of their wastes to Ramat Hovav, so they persuaded the health inspector to let them continue as before. The factory is situated in the industrial area on the southwest side of the town so the prevailing wind carries fine particles of arsenic dust into town. Chronic exposure to arsenic has been linked with cancer. So far we have not heard of any scientific measurement of arsenic in air, soil or water in and around Arad, or in its population.

Your reporter writes that "many industries preferred to store the wastes in their own backyards rather than to truck them down to what they felt was the mismanaged site of Ramat Hovav." It is obvious that industrial concerns will prefer to do whatever saves them money; all the more so if this course enjoys official approval! One clear effect of miserly evasions such as this was to undermine our economic base. Our reception fees (very low compared to other countries) were fixed by a Price Committee of the Ministry of Industry and Trade and were calculated simply by dividing the estimated annual cost of running the site by the anticipated tonnage of chemical waste for the year. In the first year we actually received less than 4,000 tons of wastes, instead of the 10,000 tons expected. It was very noticeable that most of this came from the Central and Haifa regions, while less than 100 tons came from our neighbours in the Southern Region.

No wonder the project was an economic disaster, prolonging the "accumulation and storage" phase recommended by the IMCTW report and delaying the possibility of investment in treatment plant and improvements to the site. The situation became so bad that my private resources were consumed. As all our friends know, this national project was at many times and for considerable periods subsidized by my wife's salary as a teacher.

Nevertheless we began a slow economic recovery in the second year. From April 15, 1981, until the closure, and after, the site was guarded 24 hours a day, seven days a week, by a licensed Beersheba guard company. I am sorry their accredited representative was illiterate by your reporter's standards, but that's what is obtainable and it cost us \$1,500 a month.

(Part II of this article will appear tomorrow.)

READERS' LETTERS

THE SAVING OF SUMMER TIME

To the Editor of *The Jerusalem Post* Sir, — While I was running along the beach near Haifa at sunset yesterday, I couldn't help but notice the number of people on the beach or even in the water at this twilight hour.

My first reaction to this twilight exhibition was one of exhalation, but after running on a bit further my feelings saddened as I realized that these people weren't on the beach for the fun of nocturnal aquatic adventure, but because they were trying to savour every last precious ray of daylight. In a sense, one could say that these people were suffering from "daylight deficiency." But that really isn't such a terrible condition. What is more significant is the subtle effects of this situation upon the nation.

As an American living in Israel for almost one year now, it is no secret to me that life here is no picnic. The military obligation, high inflation, taxes, and a short weekend keep Israelis fighting to stay afloat and struggling even more for a few hours of leisure pursuits. Also as an American, I am quite aware of the significance of national spirit.

Nevertheless, national spirit endures because enough spirited Israelis bear these burdens knowing that dollars and lives are spent for the security of their nation.

But when millions of Israeli tax dollars for energy and countless Israeli lives from auto accidents are wasted due to the failure to implement a simple plan, the spirit of even those might not endure much longer.

Right now couldn't be a better time to give the deflated Israeli

spirit a much needed lift with the implementation of "Summer Time."

A.W. KEMPSKI

Haifa.

Sir, — Why this constant cry for daylight saving in the summer, when daylight lasts from about 4.30 a.m. to 7.30 p.m.?

Surely one needs more daylight in the winter when the days are short. This would avoid all the difficulties — prayer times, termination of the Sabbath etc., and the greatest problem of all — how to get small children to bed at a reasonable hour so that they will not get overtired and impossible to manage, as happens when summer evenings drag on.

ELAINE ABELSON

Jerusalem.

GETTING TO JERUSALEM

To the Editor of *The Jerusalem Post* Sir, — Before booking an El Al flight from Zurich to Tel Aviv last month, I inquired at the Chicago Israel Government Tourist Office if public bus transportation to Jerusalem from the airport would be available at the late hour it was scheduled to land. The answer was: "We do not know and we do not believe so." End of the information. The same reply came from the IGTO in Zurich and the El Al offices in Chicago and Zurich.

When I finally put the same question to the flight steward, he too gave the same answer but found it appropriate to add the crowning comment: "Besides, this is not my job, madam."

GERTRUDE MANNING

Chicago.

NO SURVIVAL WITHOUT PEACE

To the Editor of *The Jerusalem Post* Sir, — Apropos the doomsday scenario of Micah Dean, "The Impossible Peace," July 6, wherein cause and effect are jumbled together in a classic hodge-podge refutation of the "delusion" that peace will ever be possible (which he somehow associates — for what reason I cannot fathom — with a delusion that a second holocaust is impossible) — I could write an equally long and detailed dissertation setting out the flaws in his thinking — but it can best be summed up in a single paragraph.

More and more Israelis are rejecting the simplistic approach of the hundred or thousand year continuous war and opting for the infinitely more difficult and complicated (but self evident) premise that, on the contrary, there can be no survival without peace.

Without that peace a second holocaust is a definite possibility and Mr. Dean's delusional Israelis will continue to pursue that elusive ultimate goal no matter how difficult and unobtainable it may seem today. Nothing is being "studiously ignored."

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JEWISH SETTLEMENTS

To the Editor of *The Jerusalem Post* Sir, — Why, in referring to a terrorist rocket attack on Beit She'an (*The Jerusalem Post*, July 5) do you write of concern in Israel that "it could signify an attempt... to open a new front against Jewish settlements?"

Since when is Beit She'an a "settlement"? Are you not aware that the word "settlement," in such a context, automatically evokes the negative image of being temporary, of people staking a claim where they do not belong, of the kind of thing the European colonizers did in Africa in the nineteenth century?

A little care in the choice of words in newspaper stories would go a long way to improve Israel's public image — especially among foreign readers.

MOSHE AUMANN

Jerusalem.

ISRAEL TELEVISION

To the Editor of *The Jerusalem Post* Sir, — Being a tennis fan I was really looking forward to the men's singles at Wimbledon which for once was being played on Sunday.

Imagine my disappointment on turning on my television set at 3.00 p.m. to find nothing being broadcast. The following day it was reported in *The Jerusalem Post* that Israel television could not afford the \$11,000 fee plus satellite time to broadcast this programme. I wonder if this had been a basketball game whether Israel television would have found the money?

JANICE SHAPIRO

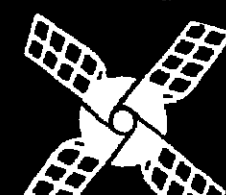
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